

ORANGE COUNTY BOARD OF SUPERVISORS

A g e n d a R e v i s i o n s a n d S u p p l e m e n t a l s

Note: *This supplemental agenda is updated daily showing items that have been added, continued, deleted or modified.*

No new supplemental items will be added to the agenda following close of business on Friday.

May 25, 2021

DISCUSSION

35. Continued to 6/8/21, 9:30 a.m.
41. Deleted
51. Deleted
59. Revised Title to read:
OC Public Works - Acting as the Board of Supervisors and Orange County Flood Control District - Approve aggregate contract MA-080-21011342 with J. Orozco Enterprises Inc. dba Orozco Landscape and Tree Company and Natures Image, Inc. for channel cleaning services, three year term effective upon execution (\$3,000,000); renewable for two additional one-year terms; authorize County Procurement Officer or authorized Deputy to execute contract; and make California Environmental Quality Act and other findings - All Districts
82. Revised Title to read:
County Executive Office - Approve amendments 1 to Type 2 Work Order CY7-005 (\$164,672; new total \$454,985), Type 2 Work Order CY7-006 (\$569,040; new total \$1,153,950) and Type 2 Work Order CY8-001 (\$388,864) under agreement for data center, desktop, applications and service desk services with Science Applications International Corporation, 7/1/21 – 6/30/22; *approve amendment 19 to master services agreement with Science Applications International Corporation for data center operations, service desk, desktop support and applications services for Probation Department (\$4,563,690; cumulative total \$217,905,270);* and authorize Chief Information Officer or designee to execute amendments and to increase fee amount not to exceed 10% under certain conditions - All Districts
84. Revised Title to read:
County Executive Office - Approve grant applications/awards submitted by *OC Community Resources, Health Care Agency, Sheriff-Coroner and District Attorney and retroactive grant applications/awards submitted by OC Community Resources and Health Care Agency* in 5/25/21 grant report and other actions as recommended; *adopt resolution authorizing OC Community Resources Director or designee to submit NOFA application to California Department of Housing and Community Development for Project Homekey and execute standard agreement, any subsequent amendments and related documents to the project; adopt resolution approving standard agreement HI-2122-22 with California Department of Aging for Older Americans Act Programs, 7/1/21 - 6/30/21; and authorizing OC Community Resources Director or designee to execute agreement, amendments and related documents; adopt resolution authorizing District Attorney or designee to execute standard agreement S21-012 and amendments with California Victim Compensation Board for Victim Compensation Program, 7/1/21 - 6/30/24 (\$1,657,525.23); and making California Environmental Quality Act and other findings - All Districts*

ORANGE COUNTY BOARD OF SUPERVISORS

Agenda Revisions and Supplementals

Note: *This supplemental agenda is updated daily showing items that have been added, continued, deleted or modified.*

No new supplemental items will be added to the agenda following close of business on Friday.

THE FOLLOWING AGENDA ITEMS HAVE HAD CHANGES TO THEIR RECOMMENDED ACTIONS SINCE RELEASE OF THE AGENDA TO THE PUBLIC:

Items: 82 and 84

Supplemental Item(s)

- S84A. **OC Waste & Recycling** - Approve exclusive franchise agreements for discarded materials management services for unincorporated franchise areas; select recommended proposers; authorize Director or designee to execute agreements; and make California Environmental Quality Act and other findings - All Districts
- S84B. **OC Waste & Recycling** - Approve non-exclusive franchise agreements with qualified companies for temporary discarded materials collection for unincorporated franchise areas; authorize Director or designee to execute individual agreements; and make California Environmental Quality Act and other findings - All Districts
- S84C. **Supervisor Wagner** - Approve addition of Community Surveys to County Events Calendar and make related findings per Government Code Section 26227
- S84D. **Supervisor Wagner** - Assessment Appeals Board No. 1 - Appoint William Baker Jr., Villa Park, to complete term ending 9/4/22
- S84E. **Social Services Agency** - Approve subordinate contract MA-080-21011559 with LDV, Inc. for mobile response vehicle purchase (\$750,000); authorize County Procurement Officer or authorized Deputy to accept fair market value trade-in under certain conditions and designate OC Public Works to execute contract; and direct Auditor-Controller to make related revisions to appropriations, revenues and transfers of funds - All Districts (RA#3 4/5 vote of the members present)
- S84F. **Deleted**
Vice Chairman Chaffee - Adopt resolution proclaiming May 24, 2021 as Eritrean Independence Day
- S84G. **Health Care Agency** - Approve master agreement with various providers of COVID-19 Mobile Vaccination services, 5/25/21 - 4/30/22 (\$20,000,000); authorize County Procurement Officer or authorized Deputy to execute individual agreements; and authorize Director or designee to exercise cost contingency increase not to exceed 10% under certain conditions - All Districts
- SCS2. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1):
Name of Case: Lynda Ayleen Kangas v. County of Orange Case Number: 8:18-CV-02063-JVS-DFM
- SCS3. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1):
Name of Case: Lisa Anderson v. County of Orange Case Number: 30-2019-01061944-CU-OE-CJC

ORANGE COUNTY BOARD OF SUPERVISORS

A g e n d a R e v i s i o n s a n d S u p p l e m e n t a l s

Note: *This supplemental agenda is updated daily showing items that have been added, continued, deleted or modified.*

No new supplemental items will be added to the agenda following close of business on Friday.

- SCS4. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1):
Name of Case: Diana Alvarez, et al., v. County of Orange Case Number: SACV 19-2072
- SCS5. **County Executive Office** - CONFERENCE WITH LABOR NEGOTIATOR - Pursuant to Government Code Section 54957.6:
Agency Negotiator: Tom Hatch
Employee Organization: Orange County Employees Association (OCEA)
RE: Terms and conditions of employment



Continuation or Deletion Request

Date: May 24, 2021
To: Clerk of the Board of Supervisors
From: Clayton Chau, Agency Director, Health Care Director 
Re: ASR Control #: 21-000332, Meeting Date 5/25/21 Agenda Item No. # 35
Subject: **Whole Person Care Pilot Extension Agreement and Amendments**

Request to continue Agenda Item No. # 35 to the 6/8/21 Board Meeting.

Comments: The Health Care Agency would need to move the above mentioned item to BOS 6/8.

Request deletion of Agenda Item No. # _____

Comments:



Continuation or Deletion Request

Date: May 14, 2021
To: Clerk of the Board of Supervisors
From: Barry Rondinella, Director of John Wayne Airport BAR
Re: ASR Control #: 21-000377, Meeting Date 05/25/21 Agenda Item No. # 41
Subject: Approve Architect-Engineer Contracts for Airport Facilities Support
Services

Request to continue Agenda Item No. # _____ to the _____ Board Meeting.

Comments: .

Request deletion of Agenda Item No. # #41

Comments:



Continuation or Deletion Request

Date: May 21, 2021
To: Clerk of the Board of Supervisors
From: James Treadaway, OC Public Works Director 
Re: ASR Control #: 19-000542, Meeting Date 5/25/21 Agenda Item No. # 51
Subject: Approve Local Agency Management Program and Ordinance for
Wastewater Treatment

Request to continue Agenda Item No. # _____ to the _____ Board Meeting.

Comments:

Request deletion of Agenda Item No. # 51

Comments:



CLERK OF THE BOARD

MEMORANDUM

May 13, 2021

To: Honorable Board of Supervisors

From: Robin Stieler, Clerk of the Board

A handwritten signature in blue ink that reads "Robin Stieler".

Subject: May 25, 2021 Board Agenda, Item 59

A clerical error was made on the title for item 59.

The correct title should read:

Acting as the Board of Supervisors and Orange County Flood Control District -

Approve aggregate contract MA-080-21011342 with J. Orozco Enterprises Inc. dba Orozco Landscape and Tree Company and Natures Image, Inc. for channel cleaning services, three year term effective upon execution (\$3,000,000); renewable for two additional one-year terms; authorize County Procurement Officer or authorized Deputy to execute contract; and make California Environmental Quality Act and other findings - All Districts

cc.: Frank Kim, CEO
Leon Page, County Counsel



Revision to ASR and/or Attachments

RECEIVED

2021 MAY 20 AM 8:14
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

Date: May 18, 2021
To: Clerk of the Board of Supervisors
CC: County Executive Office
From: Frank Kim, Chief Executive Officer 
Re: ASR Control #: 21-000401, Meeting Date 05/25/21, Item No. # 82
Subject: Approve Work Orders for Information Technology Services

Digitally signed by Frank Kim
 DN: cn=Frank Kim, o=County of Orange, ou=CEO,
 email=frank.kim@ocgov.com,
 c=US
 Date: 2021.05.19 09:56:04 -0700

Explanation:

OCIT is requesting to modify ASR #21-00041 to add Amendment Number 19 to the contract with Science Applications International Corporation (SAIC), to incorporate annual baseline adjustments to reflect estimated demand for IT managed services

Revised Recommended Action(s)

Adding Recommended Action #7:

- | | |
|----|--|
| 7. | Authorize the County Chief Information Officer or designee to execute Amendment Number 19 to the Master Services Agreement by and between the County of Orange and Science Applications International Corporation for Data Center Operations, Service Desk, Desktop Support and Applications Services to modify Appendix 3.1 (SOW Pricing Appendix) to reflect adjustments to Baseline Quantities for the Vendor's commencement of Desktop Services for the OC Probation Department as well as Baseline Quantity adjustments for various Services based on estimated usage, reflecting an increase of \$4,563,690 for a new estimated cumulative agreement total of \$217,905,270. |
|----|--|

Make modifications to the:

- Subject Background Information Summary Financial Impact

Subject

Approve Work Orders and Amendment Number 19 to Contract with Science Applications International Corporation

Summary:

Authorization to execute Type 2 Work Orders under the Agreement for Data Center, Desktop, Applications and Service Desk Services with Science Applications International Corporation will authorize the Vendor to support the County on various information

technology projects and services; and approve Amendment Number 19 to the Master Services Agreement.

Background Information:

Amendment Number 19 - Annual Baseline Adjustments to Service Demand

As the County's demand for IT services fluctuates, on an annual basis, adjustments are made to the Baseline quantities for services consumed by County departments, which sets the estimated base charges the County intends to purchase. Appendix 3.1 (SOW Pricing Appendix) in the MSA is being modified to reflect mutually agreed to annual Baseline Volume adjustments. Overall demand for services remains relatively level, with the exception of Storage Area Network and Cloud Outlook eMail Services, which is increasing. In addition, new Desktop Service support is being added for the Probation Department. The Baseline adjustments result in an estimated net value increase of \$4,563,690 for the term of the agreement.

Financial Impact:

Amendment Number 19 to the DDAS Contract

The table below shows the contract value for the DDAS Contract, comparing to the contract value from the prior Amendment Number 18 to the proposed Amendment Number 19. The total contract value increase is \$4,563,690 million to cover new Desktop Services for Probation Department and increases in Storage Area Network and Cloud Outlook eMail Services.

Fiscal Year	Amendment No. 18	Amendment No. 19	Difference: Amendment 18 vs. Amendment 19
Recurring Service Fees			
FY 13-14 (Feb 2014 - Jun 2014)	\$ 6,268,431	\$ 6,268,431	\$ -
FY 14-15	\$ 15,742,525	\$ 15,742,525	\$ -
FY 15-16	\$ 16,669,685	\$ 16,669,685	\$ -
FY 16-17	\$ 18,465,787	\$ 18,465,787	\$ -
FY 17-18	\$ 18,439,447	\$ 18,439,447	\$ -
FY 18-19	\$ 17,399,749	\$ 17,399,749	\$ -
FY 19-20	\$ 15,931,316	\$ 15,931,316	\$ -
FY 20-21	\$ 15,353,568	\$ 15,577,242	\$ 223,674
FY 21-22	\$ 15,267,168	\$ 16,934,304	\$ 1,667,136
FY 22-23	\$ 15,329,916	\$ 16,734,276	\$ 1,404,360
FY 22-24	\$ 15,539,508	\$ 16,808,028	\$ 1,268,520
Ten-Year Subtotal	\$ 170,407,100	\$ 174,970,790	\$ 4,563,690
Transition Fees	\$ 3,572,510	\$ 3,572,510	\$ -
Current Total In-Scope Work Orders Thru Year 6	\$ 23,361,990	\$ 23,361,990	\$ -
Reserved Dollars for Work Orders Years 7 thru 10	\$ 16,000,000	\$ 16,000,000	\$ -
Total Est. 10-Year Cumulative Contract Value	\$ 213,341,600	\$ 217,905,290	\$ 4,563,690

Please note that the actual financial impact will be dependent upon the County's actual service usage for base services and work orders, which may be increased or decreased according to the terms of the Master Services Agreement. Appropriations for the contract is included in the FY 2020-21 Budget for Fund 289 - OCIT Countywide Services and will be included in the budgeting process for future fiscal years. The contract contains language allowing OCIT to terminate the agreement, reduce the level of services and/or renegotiate the levels of services to be provided.

Revised Attachments (attach revised attachment(s) and redlined copy(s))

Attachment D - Amendment Number 19 to Agreement MA-017-13011864

Attachment E - Contract Summary Form

**AMENDMENT NUMBER 19 TO
MASTER SERVICES AGREEMENT
FOR IT SERVICES BY AND
BETWEEN COUNTY OF ORANGE
AND
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**

This Amendment Number 19 to Master Services Agreement for IT Services by and between County of Orange and Science Applications International Corporation ("Amendment 19") is made and entered into by and between the County of Orange, a political subdivision of the State of California ("County") and Science Applications International Corporation, ("Vendor"). All capitalized undefined terms in this Amendment 19 will be as defined in the Agreement.

RECITALS

WHEREAS, County and Vendor entered into a Master Services Agreement for IT Services by and between County of Orange and Science Applications International Corporation (the "Agreement"); and

WHEREAS, County and Vendor entered into the Agreement effective May 14, 2013 ("Effective Date"); and

WHEREAS, the Parties have previously made the following amendments to the Agreement: Amendment 1, dated September 10, 2013 ("Amendment 1"); Amendment 2, dated February 3, 2014 ("Amendment 2"); Amendment 3, dated June 6, 2014 ("Amendment 3"); Amendment 4, dated July 25, 2014 ("Amendment 4"); Amendment 5, executed January 12, 2016, and retroactively dated to February 3, 2015 ("Amendment 5"); Amendment 6, dated April 26, 2016 ("Amendment 6"); Amendment 7, dated June 1, 2016 ("Amendment 7"); Amendment 8, dated September 13, 2016 ("Amendment 8"); Amendment 9, executed February 15, 2017, and retroactively dated to February 3, 2017 ("Amendment 9"); Amendment 10, dated September 26, 2017 ("Amendment 10"); Amendment 11, dated January 10, 2018 ("Amendment 11"), Amendment 12, dated June 7, 2018 ("Amendment 12"); Amendment 13, dated October 16, 2018 ("Amendment 13"); Amendment 14, dated May 22, 2019 ("Amendment 14"); and Amendment 15, dated October 8, 2019 ("Amendment 15"); Amendment 16, dated September 29, 2020 ("Amendment 16"); Amendment 17, dated February 9, 2021 ("Amendment 17"); and Amendment 18, dated March 24, 2021 ("Amendment 18").

WHEREAS, the Parties desire to enter into this Amendment 19 for the purposes of modifying Appendix 3.1 (SOW Pricing Appendix) to reflect adjustments to Baseline Quantities, effective as of April 1, 2021, arising from Vendor's commencement of Desktop Services for the OC Probation Department as well as Baseline Quantity adjustments arising from the Agreement's required wall-to-wall inventory that shall be effective as of July 1, 2021.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the receipt, sufficiency and adequacy of which is hereby acknowledged, the Parties, intending to be legally bound, hereby contract and agree as follows:

AGREEMENT

A. The Parties hereby agree to amend the Agreement as follows:

1. Appendix 3.1 (SOW Pricing Appendix) – Revision 14 to Schedule 3 of the Agreement is deleted in its entirety from the Agreement and replaced with the attached Appendix 3.1 (SOW Pricing Appendix) – Revision 15 to Schedule 3, which is incorporated into the Agreement by this reference.

B. This Amendment 19 shall be effective upon execution by both Parties.

C. Order of Precedence When Interpreting Conflicting Terms

Except as otherwise expressly set forth and amended herein, all terms and conditions of the Agreement and its Amendments 1 through 18 remain unchanged and in full force and effect. Capitalized terms used in this Amendment and not defined herein have the meanings given to them or referenced in the Agreement and the prior amendments. In the event of any inconsistency or conflict between or among any provision of this Amendment 19 and any provision of the original Agreement, and/or its amendments/modifications other than Amendment 19, the inconsistency or conflict shall be resolved by giving precedence to the language of amendments, modifications, and the original Agreement in the following order:

1. Amendment 19;
2. Amendment 18;
3. Amendment 17;
4. Amendment 16;
5. Amendment 15;
6. Amendment 14;
7. Amendment 13;
8. Amendment 12;
9. Amendment 11;
10. Amendment 10;
11. Amendment 9;
12. Amendment 8;
13. Amendment 7;
14. Amendment 6;
15. Amendment 5;
16. Amendment 4;
17. Amendment 3;
18. Amendment 2;
19. Amendment 1;
20. The original Agreement.

[Signatures provided on the following page]

The Parties evidence their entire agreement to the terms of this Amendment 19 as evidenced below by the signature of each Party's legally authorized representative on the dates indicated below.

VENDOR: SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

Vincent R. Magaña
Print Name

Contracts, Senior Principal
Title



May 18, 2021

Signature

Date

**COUNTY OF ORANGE,
a political subdivision of the State of California**

Joel Golub
Print Name

County Chief Information Officer
Title

Signature

Date

**APPROVED AS TO FORM
COUNTY COUNSEL**



Patrick Brusio, Deputy County Counsel

Approved by Board of Supervisors on: _____

SOW Pricing Appendix Table of Contents	Pricing Workbook Table of Contents
Worksheet Title / Hyperlink	Description
Pricing Summary Sheets	
Summary - 10 Year Rollup	Summary of Ten-Year pricing across all Service Areas
Recurring Monthly Charges	
Orange County Data Center	Pricing for Providing Services Out of the Orange County Data Center
Desktop	Pricing for Desktop Services
Service Desk	Pricing for Service Desk Services
ADM	Pricing for Application Development and Maintenance Services
Other Charges	
Hourly Rate	Worksheet for itemizing Service Provider hourly rate structures for project personnel for each year
Termination Fees	Worksheet for itemizing annual Termination Fees for each Service Area
Termination Fee Monthly Schedule	Worksheet for monthly Termination Fees for each Service Area
Disentanglement Fee Estimate	Worksheet for providing estimate of Disentanglement Fee each year for each tower
Vendor Pricing Assumptions	
Pricing Assumptions	Worksheet to itemize all assumptions upon which its pricing is dependent

Appendix 3.1, Revision 14 - Amendment Number 19

Summary - 10 Year Rollup Pricing

SUMMARY—TEN-YEAR ROLL-UP	
Service Recipient:	County of Orange
Vendor Name:	SAIC - Scope 1

Click links for	
TOC page	Pricing Assumptions

RECURRING FEES	2/3/14 - 2/2/15	2/3/15 - 2/2/16	2/3/16 - 2/2/17	2/3/17 - 2/2/18	2/3/18 - 2/2/19	2/3/19 - 2/2/20	2/3/20 - 6/30/22	7/1/22 - 6/30/23	7/1/23 - 6/30/24	Total
SCOPE 1 SERVICE AREAS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 and 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	
OC Data Center	\$ 7,595,473	\$ 8,393,040	\$ 8,869,440	\$ 8,825,832	\$ 8,862,272	\$ 7,222,992	\$ 18,627,195	\$ 7,845,432	\$ 7,917,216	\$ 83,958,892
Desktop	\$ 1,195,104	\$ 1,113,192	\$ 2,536,122	\$ 2,962,452	\$ 2,803,062	\$ 2,803,062	\$ 8,428,228	\$ 3,919,464	\$ 3,919,464	\$ 29,680,208
Service Desk	\$ 1,136,004	\$ 969,660	\$ 989,328	\$ 1,028,664	\$ 962,144	\$ 932,892	\$ 2,972,065	\$ 1,234,740	\$ 1,236,708	\$ 11,462,205
Application Development and Maintenance	\$ 4,880,627	\$ 5,256,005	\$ 5,256,005	\$ 5,219,644	\$ 5,110,560	\$ 5,110,560	\$ 9,025,380	\$ 3,734,640	\$ 3,734,640	\$ 47,328,061
SCOPE 1 ANNUAL TOTAL FEES	\$ 14,807,208	\$ 15,731,897	\$ 17,650,895	\$ 18,036,592	\$ 17,538,068	\$ 16,069,536	\$ 39,052,866	\$ 16,734,276	\$ 16,808,028	\$ 172,429,366

YEAR 1 ONE-TIME TRANSITION COSTS	
Orange County Data Center	\$ 843,405
Desktop	\$ 378,558
Service Desk	\$ 1,112,071
Application Development and Maintenance	\$ 1,238,476
TOTAL TRANSITION FEES - SCOPE 1	\$ 3,572,510

Optional Services Fees	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 and 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Total
SCOPE 1 SERVICE AREAS										
OC Data Center	\$ 486,866	\$ 388,620	\$ 388,620	\$ 388,620	\$ 761,553	\$ 127,139	\$ -	\$ -	\$ -	\$ 2,541,418
Desktop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service Desk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Application Development and Maintenance	\$ 3,167,701	\$ 1,848,211	\$ 1,848,211	\$ 1,405,303	\$ 962,415	\$ 963,474	\$ -	\$ -	\$ -	\$ 10,195,315
SCOPE 1 ANNUAL Optional Services FEES	\$ 3,654,567	\$ 2,236,831	\$ 2,236,831	\$ 1,793,923	\$ 1,723,968	\$ 1,090,613	\$ -	\$ -	\$ -	\$ 12,736,733

EARLY TERMINATION FEES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 and 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)
Early Termination Fees - Orange County Data Center	\$ 5,730,687	\$ 4,791,115	\$ 4,215,221	\$ 3,391,696	\$ 2,152,016	N/A	\$ 2,397,217	\$ 748,944	\$ 748,944
Early Termination Fees - Desktop	\$ 68,688	\$ 61,298	\$ 53,271	\$ 44,614	\$ 36,841	N/A	\$ -	\$ -	\$ -
Early Termination Fees - Service Desk	\$ 141,619	\$ 121,154	\$ 101,323	\$ 80,419	\$ 59,755	N/A	\$ -	\$ -	\$ -
Early Termination Fees - Application Management	\$ 226,249	\$ 226,249	\$ 226,249	\$ 226,249	\$ 226,249	N/A	\$ -	\$ -	\$ -
TOTAL TERMINATION FEES	\$ 6,167,243	\$ 5,199,816	\$ 4,596,064	\$ 3,742,978	\$ 2,474,861	\$ -	\$ 2,397,217	\$ 748,944	\$ 748,944

NOTE: Early termination fees apply only to termination for convenience

Disentanglement Fees Estimate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 and 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)
Disentanglement Fees Estimate - Orange County Data Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Disentanglement Fees Estimate - Desktop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Disentanglement Fees Estimate - Service Desk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Disentanglement Fees Estimate - Application Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
TOTAL DISENTANGLEMENT FEES - Scope 1	\$ -	\$ -	\$ -						

NOTE: The amount provided is estimate only. The final amount shall be determined at the time of disentanglement

Pricing for OC Data Center

The image displays a large, complex spreadsheet table titled "Pricing for OC Data Center". The table is organized into multiple columns and rows, with a dense grid of data. The cells are primarily green and yellow, indicating different categories or values. On the left side of the table, there are several columns that are completely blacked out, likely for redaction. The table appears to be a detailed pricing schedule or cost breakdown, with various sub-sections and data points. The overall layout is highly structured and data-intensive.

Pricing for Service Desk

Service Desk Services	
Service Recipient	County of Orange
Vendor Name	SAC - Scope 1

Click links for
[Details](#) | [Download](#)

Vendor Provided Services	Resource Unit Category	Unit of Measure	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7 and 8 (Estimate)		Year 9 (Option Year 1)		Year 10 (Option Year 2)		Comments			
			Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total		Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total
Management Services (including fees associated with Schedule 1 - Operations Management)	Year		1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	1	\$ 13,900.00	\$13,900.00	
Service Desk Operations in a Service Request	Year		1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	
Service Desk Operations in a Service Request	Year		1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	1	\$ 180.00	\$180.00	
Service Desk Call Center 1 & 2 Support	Number of Calls		1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	
Service Desk Call Center 1 & 2 Support	Number of Calls		1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	1	\$ 1.00	\$1.00	
MANAGEMENT SERVICES FEES					\$ 13,900.00			\$ 13,900.00			\$ 13,900.00			\$ 13,900.00			\$ 13,900.00			\$ 13,900.00			\$ 13,900.00	
MANAGEMENT SERVICES FEES					\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00	
MANAGEMENT SERVICES FEES					\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00			\$ 180.00	
MANAGEMENT SERVICES FEES					\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00	
MANAGEMENT SERVICES FEES					\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00			\$ 1.00	
TOTAL SERVICE DESK TRANSACTIONS FEES					\$ 14,261.00			\$ 14,261.00			\$ 14,261.00			\$ 14,261.00			\$ 14,261.00			\$ 14,261.00			\$ 14,261.00	

Resource Category	Unit of Measure	Baseline Quantity	Price Per Month Monthly Use Price	Monthly Total
Management Services (including fees associated with Schedule 1 - Operations Management)	Year	1	\$ 13,900.00	\$13,900.00
Service Desk Operations in a Service Request	Year	1	\$ 180.00	\$180.00
Service Desk Operations in a Service Request	Year	1	\$ 180.00	\$180.00
Service Desk Call Center 1 & 2 Support	Number of Calls	1	\$ 1.00	\$1.00
Service Desk Call Center 1 & 2 Support	Number of Calls	1	\$ 1.00	\$1.00
TOTAL SERVICE DESK TRANSACTIONS FEES				\$ 14,261.00

Note: See Service Desk Band Pricing for applicable Service Desk Call volume band pricing for Contract Years 5 through 10

Service Desk Band Pricing

Service Desk Services	
Service Recipient:	County of Orange
Vendor Name:	SAIC - Scope 1

Click links for
[DOCs](#) [Pricing Calculations](#)

Vendor Provided Services	Resource Unit Category	Unit of Measure	Year 1			Year 2			Year 3			Year 4			Year 5			Year 6			Years 7 and 8 (Extension)			Year 9 (Option Year 1)			Year 10 (Option Year 2)			Comments			
			Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total				
Management Services (including fees associated with Schedule 1 - Relationship Management)		Fees	1	\$ 16,893.00		1	\$ 16,893.00		1	\$ 16,893.00		1	\$ 16,893.00	See below table for applicable band and price			See below table for applicable band and price			See below table for applicable band and price			See below table for applicable band and price			See below table for applicable band and price							
Service Desk Platform as a Service Solution		User	1	\$ 188.03		1	\$ 188.03		1	\$ 188.03		1	\$ 188.03	0 to 4150	\$51,500	\$51,500	0 to 4150	\$51,500	\$51,500	0 to 4150	\$51,500	\$51,500	0 to 4150	\$51,500	\$51,500	0 to 4150	\$51,500	\$51,500	0 to 4150	\$51,500	\$51,500		
Service Desk Platform as a Service Solution		User	63	\$ 81.94		63	\$ 81.94		63	\$ 81.94		63	\$ 81.94	4151 to 5500	\$57,100	\$57,100	4151 to 5500	\$57,100	\$57,100	4151 to 5500	\$57,100	\$57,100	4151 to 5500	\$57,100	\$57,100	4151 to 5500	\$57,100	\$57,100	4151 to 5500	\$57,100	\$57,100		
Service Desk Calls (Level 1, 2 and 3 Support)		Number of Calls	15,800 - 19,800	\$ 8.77		15,800 - 19,800	\$ 8.77		15,800 - 19,800	\$ 8.77		15,800 - 19,800	\$ 8.77	15801 to 19800	\$60,300	\$60,300	15801 to 19800	\$60,300	\$60,300	15801 to 19800	\$60,300	\$60,300	15801 to 19800	\$60,300	\$60,300	15801 to 19800	\$60,300	\$60,300	15801 to 19800	\$60,300	\$60,300		
		MONTHLY SERVICES FEE		\$ -			\$ -			\$ -			\$ -	8001 to 9300	\$81,000	\$81,000	8001 to 9300	\$81,000	\$81,000	8001 to 9300	\$81,000	\$81,000	8001 to 9300	\$81,000	\$81,000	8001 to 9300	\$81,000	\$81,000	8001 to 9300	\$81,000	\$81,000		
		ANNUAL SERVICES FEE		\$ -			\$ -			\$ -			\$ -		\$ -			\$ -			\$ -				\$ -			\$ -			\$ -		

Desktop Band Pricing

Desktop	Service Recipient - County of Orange
Vendor Name	SAC - Scope 1



Band 1		Year 1			Year 2			Year 3			Year 4			Year 5			Year 6			Years 7 and 8 (Extension)			Years 7 and 8 (Extension)			Years 7 and 8 (Extension)			Year 9 (Option Year 1)			Year 10 (Option Year 2)			Description/Comments
Resource Unit Category	Unit of Measure	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total	Baseline Quantity	Monthly Unit Price	Monthly Total				
Management Services (including fees associated with Schedule 1 - Information Management)	Fixed	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49	1	\$ 21,149.49	\$21,149.49				
Desktop Laptop Support (includes support of end users attached workstations)	City of Desktop/Laptop	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00	2000	\$ 35.93	\$71,860.00				
Network Attached Devices	City of Network Attached Devices	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60	324	\$ 6.15	\$1,992.60				
Hardware Refresh Services	City of Hardware Refresh	500	\$ 1.16	\$579.00	491	\$ 1.16	\$569.56	481	\$ 1.16	\$559.12	471	\$ 1.16	\$548.68	461	\$ 1.16	\$538.24	451	\$ 1.16	\$527.80	441	\$ 1.16	\$517.36	431	\$ 1.16	\$506.92	421	\$ 1.16	\$496.48	411	\$ 1.16	\$486.04				
Conference Room Services	City of Conference Room	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00	350	\$ 3.18	\$1,103.00				
End User Mobile Device Applications and Support	City of Mobile Devices	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00	100	\$ 14.74	\$1,474.00				
MACs for Desktop/Laptop/Network Attached Devices/Standards/Printers	City of Mobile MACs	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25	325	\$ 45.37	\$14,745.25				
MONTHLY SERVICES FEE				\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842			\$ 122,842				
ANNUAL SERVICES FEE				\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104			\$ 1,474,104				

Application Development and Maintenance Services	
Service Recipient:	County of Orange
Vendor Name:	SAIC - Scope 1

Click links for

[TOC page](#) [Pricing Assumptions](#)

Application Maintenance and Development Support (County Site)		Blended Hourly Rate/Annual Fees									
Category	Metric	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	
County Portfolio Maintenance and Development	County Estimated Hours/Yr	36,878	48,672	48,672	48,672	48,672	48,672	85,956	35,568	35,568	
	Blended Hourly Rate	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	
	GRC Software Management Fixed	\$145,444.84	\$145,444.84	\$145,444.84	\$109,083.63	Pursuant to Amendment 10 all GRC Services ceased and were deleted from Agreement at 11:59 PM PST on October 31, 2017.					
	Annual Fees	\$4,017,635	\$5,256,005	\$5,256,005	\$5,219,644	\$5,110,560	\$5,110,560	\$9,025,380	\$3,734,640	\$3,734,640	

Application Maintenance and Development Support (Vendor Site)		Blended Hourly Rate/Annual Fees									
Category	Metric	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	
County Portfolio Maintenance and Development - Non	County Estimated Hours/Yr	6,552	0	0	0	0	0	0	0	0	
County Portfolio Maintenance and Development -	County Estimated Hours/Yr	1,872	0	0	0	0	0	0	0	0	
	Blended Hourly Rate - Non	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	
	Blended Hourly Rate -	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	
	Annual Fees	\$862,992	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Annual Service Area Fees	\$4,880,627	\$5,256,005	\$5,256,005	\$5,219,644	\$5,110,560	\$5,110,560	\$9,025,380	\$3,734,640	\$3,734,640	

Optional Services		Blended Hourly Rate/Annual Fees									
Category	Metric	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	
HCA/BHS EHR Application Support	County Estimated Hours/Yr	7,488	7,488	7,488	3,744						
	Blended Hourly Rate	\$118.57	\$118.57	\$118.57	\$118.57						
	Annual Fees	\$887,852	\$887,852	\$887,852	\$443,926						
OCCR Application Support	County Estimated Hours/Yr	5,616	5,616	5,616	5,616	5,616	5,616	Removed pursuant to Amendment 15			
	Blended Hourly Rate	\$108.65	\$108.65	\$108.65	\$108.65	\$108.65	\$108.65	Removed pursuant to Amendment 15			
	Annual Fees	\$610,178	\$610,178	\$610,178	\$610,178	\$610,178	\$610,178	Removed pursuant to Amendment 15			
Applications Portfolio Management	Fixed Fees										
Enterprise Sharepoint Development and Implementation	Fixed Fees	\$974,570									
Sharepoint Ongoing Support	Vendor Estimated Hours/Yr	1,575.60	2,745.60	2,745.60	2,745.60	2,745.60	2,745.60	Removed pursuant to Amendment 15			
	Blended Hourly Rate	\$109.01	\$109.01	\$109.01	\$109.01	\$109.01	\$109.01	Removed pursuant to Amendment 15			
	Annual Fees	\$171,756	\$299,298	\$299,298	\$299,298	\$299,298	\$299,298	Removed pursuant to Amendment 15			
System Upgrade	Fixed Fees	\$523,345	\$50,883	\$50,883	\$51,901	\$52,939	\$53,998	Removed pursuant to Amendment 15			
Project Management System Ongoing Support	Vendor Estimated Hours/Yr										
Support covered under ADM Vendor site	Blended Hourly Rate										
	Annual Fees										
Other current and future in-flight projects Support	Fixed Fees	\$0	\$0	\$0	\$0	\$0	\$0			\$0	
	Annual Optional Services Fees	\$3,167,701	\$1,848,211	\$1,848,211	\$1,405,303	\$962,415	\$963,474	\$0	\$0	\$0	

ONE TIME APPLICATION MANAGEMENT TRANSITION FEES		
Resource Category (itemize all charges)	Cost Breakdown	Description of Services / Comments
Project Team / Management	\$ 1,238,476.00	
Hardware	\$ -	
Software	\$ -	
Installation / build-out	\$ -	
Testing	\$ -	
Training	\$ -	
Other (specify) Travel	\$ -	
Other (specify)	\$ -	
Other (specify)	\$ -	
Shipping/Handling/Storage	\$ -	
Customs Charges	\$ -	
Third-party consulting and/or labor	\$ -	
Taxes		
Federal / National	\$ -	
State / Provincial	\$ -	
Local	\$ -	
TOTAL APPLICATION MANAGEMENT TRANSITION FEES	\$ 1,238,476	

Termination Fees

Termination Fee Details		
Service Recipient:	County of Orange	
Vendor Name:	SAIC - Scope 1	

Click links for
[LOI page](#)

Orange County Data Center	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Actual Cost to redeploy or separate personnel until the earlier of the date Contractor is able to redeploy or days after termination of the Agreement.	\$ 195,783.78	\$ 186,678.43	\$ 184,550.92	\$ 174,399.96	\$ 159,263.46	\$ -	\$ -			
Actual Cost of terminating 3rd-party contracts that are required to be terminated as a result of termination of the Services	\$ 2,029,611.54	\$ 1,550,950.85	\$ 1,374,311.75	\$ 1,214,598.32	\$ 780,770.43	\$ -	\$ -			
Actual portion of un-depreciated hardware expenses not yet recovered or discharged by Contractor if hardware acquired, which is used solely to provide the Services under the Agreement	\$ 3,505,291.65	\$ 3,053,486.00	\$ 2,656,358.56	\$ 2,002,697.74	\$ 1,211,982.60	\$ -	\$ 587,269.00	Removed pursuant to Amendment 16		
Unamortized Disaster Recovery Solution Fee							\$ 1,809,948.00	\$ 748,944.00	\$ 748,944.00	
Overhead costs (e.g., payroll taxes, rent)										
Administrative Expenses - salary costs of people not charging directly for lower services (e.g., backoffice support, external services costs (e.g., legal expenses, notary fees))										
Actual portion of unrecovered un-depreciated equipment expenses not yet owed and discharged by the service provider, but only for equipment acquired and used solely to provide the outsourcing services										
Unrecovered start-up and transition expenses										
Mark-up margin total that Contractor will apply to actual termination cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 5,730,686.97	\$ 4,791,115.28	\$ 4,215,221.23	\$ 3,391,696.02	\$ 2,152,016.49	\$ -	\$ 2,397,217.00	\$ 748,944.00	\$ 748,944.00	
Desktop	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Actual Cost to redeploy or separate personnel until the earlier of the date Contractor is able to redeploy or days after termination of the Agreement.	\$ 32,687.96	\$ 32,497.58	\$ 31,671.19	\$ 30,214.48	\$ 29,641.39	\$ -	\$ -			
Actual Cost of terminating 3rd-party contracts that are required to be terminated as a result of termination of the Services	\$ 36,000.00	\$ 28,800.00	\$ 21,600.00	\$ 14,400.00	\$ 7,200.00	\$ -	\$ -			
Actual portion of un-depreciated hardware expenses not yet recovered or discharged by Contractor if hardware acquired, which is used solely to provide the Services under the Agreement										
Unamortized license fees for license fees not yet owed and discharged by the service provider, but only if software used solely to provide the outsourcing services and actual charges for license termination fees for such software										
Overhead costs (e.g., payroll taxes, rent)										
Administrative Expenses - salary costs of people not charging directly for lower services (e.g., backoffice support, external services costs (e.g., legal expenses, notary fees))										
Actual portion of unrecovered un-depreciated equipment expenses not yet owed and discharged by the service provider, but only for equipment acquired and used solely to provide the outsourcing services										
Unrecovered start-up and transition expenses										
Mark-up margin total that Contractor will apply to actual termination cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 68,687.96	\$ 61,297.58	\$ 53,271.19	\$ 44,614.48	\$ 36,841.39	\$ -	\$ -	\$ -	\$ -	
Service Desk	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Actual Cost to redeploy or separate personnel until the earlier of the date Contractor is able to redeploy or days after termination of the Agreement.	\$ 45,619.37	\$ 44,354.37	\$ 43,723.21	\$ 42,019.49	\$ 40,555.21	\$ -	\$ -			
Actual Cost of terminating 3rd-party contracts that are required to be terminated as a result of termination of the Services										
Actual portion of un-depreciated hardware expenses not yet recovered or discharged by Contractor if hardware acquired, which is used solely to provide the Services under the Agreement										
Unamortized license fees for license fees not yet owed and discharged by the service provider, but only if software used solely to provide the outsourcing services and actual charges for license termination fees for such software	\$ 96,000.00	\$ 76,800.00	\$ 57,600.00	\$ 38,400.00	\$ 19,200.00	\$ -	\$ -			
Overhead costs (e.g., payroll taxes, rent)										
Administrative Expenses - salary costs of people not charging directly for lower services (e.g., backoffice support, external services costs (e.g., legal expenses, notary fees))										
Actual portion of unrecovered un-depreciated equipment expenses not yet owed and discharged by the service provider, but only for equipment acquired and used solely to provide the outsourcing services										
Unrecovered start-up and transition expenses										
Mark-up margin total that Contractor will apply to actual termination cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 141,619.37	\$ 121,154.37	\$ 101,323.21	\$ 80,419.49	\$ 59,755.21	\$ -	\$ -	\$ -	\$ -	
ADM	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Actual Cost to redeploy or separate personnel until the earlier of the date Contractor is able to redeploy or days after termination of the Agreement.	\$ 226,248.85	\$ 226,248.85	\$ 226,248.85	\$ 226,248.85	\$ 226,248.85	\$ -	\$ -			
Actual Cost of terminating 3rd-party contracts that are required to be terminated as a result of termination of the Services										
Actual portion of un-depreciated hardware expenses not yet recovered or discharged by Contractor if hardware acquired, which is used solely to provide the Services under the Agreement										
Unamortized license fees for license fees not yet owed and discharged by the service provider, but only if software used solely to provide the outsourcing services and actual charges for license termination fees for such software										
Overhead costs (e.g., payroll taxes, rent)										
Administrative Expenses - salary costs of people not charging directly for lower services (e.g., backoffice support, external services costs (e.g., legal expenses, notary fees))										
Actual portion of unrecovered un-depreciated equipment expenses not yet owed and discharged by the service provider, but only for equipment acquired and used solely to provide the outsourcing services										
Unrecovered start-up and transition expenses										
Mark-up margin total that Contractor will apply to actual termination cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 226,248.85	\$ -	\$ -	\$ -	\$ -					

Termination Fee Monthly Schedule

Termination Fee Monthly Schedule
Vendor Account: BAC - Scope 1

Click links for

Termination Month	Termination Charge	Assumptions
Month 0	\$ 0.00	
Month 1	\$ 5,262,589.84	
Month 2	\$ 5,262,486.78	
Month 3	\$ 5,115,388.23	
Month 4	\$ 4,974,226.44	
Month 5	\$ 4,781,111.29	
Month 6	\$ 4,588,006.17	
Month 7	\$ 4,394,901.05	
Month 8	\$ 4,201,795.93	
Month 9	\$ 4,008,690.81	
Month 10	\$ 3,815,585.69	
Month 11	\$ 3,622,480.57	
Month 12	\$ 3,429,375.45	
Month 13	\$ 3,236,270.33	
Month 14	\$ 3,043,165.21	
Month 15	\$ 2,850,060.09	
Month 16	\$ 2,656,954.97	
Month 17	\$ 2,463,849.85	
Month 18	\$ 2,270,744.73	
Month 19	\$ 2,077,639.61	
Month 20	\$ 1,884,534.49	
Month 21	\$ 1,691,429.37	
Month 22	\$ 1,498,324.25	
Month 23	\$ 1,305,219.13	
Month 24	\$ 1,112,114.01	
Month 25	\$ 919,008.89	
Month 26	\$ 725,903.77	
Month 27	\$ 532,798.65	
Month 28	\$ 339,693.53	
Month 29	\$ 146,588.41	
Month 30	\$ 0.00	
Month 31	\$ 0.00	
Month 32	\$ 0.00	
Month 33	\$ 0.00	
Month 34	\$ 0.00	
Month 35	\$ 0.00	
Month 36	\$ 0.00	
Month 37	\$ 0.00	
Month 38	\$ 0.00	
Month 39	\$ 0.00	
Month 40	\$ 0.00	
Month 41	\$ 0.00	
Month 42	\$ 0.00	
Month 43	\$ 0.00	
Month 44	\$ 0.00	
Month 45	\$ 0.00	
Month 46	\$ 0.00	
Month 47	\$ 0.00	
Month 48	\$ 0.00	
Month 49	\$ 0.00	
Month 50	\$ 0.00	
Month 51	\$ 0.00	
Month 52	\$ 0.00	
Month 53	\$ 0.00	
Month 54	\$ 0.00	
Month 55	\$ 0.00	
Month 56	\$ 0.00	
Month 57	\$ 0.00	
Month 58	\$ 0.00	
Month 59	\$ 0.00	
Month 60	\$ 0.00	
Month 61	\$ 0.00	
Month 62	\$ 0.00	
Month 63	\$ 0.00	
Month 64	\$ 0.00	
Month 65	\$ 0.00	
Month 66	\$ 0.00	
Month 67	\$ 0.00	
Month 68	\$ 0.00	
Month 69	\$ 0.00	
Month 70	\$ 0.00	
Month 71	\$ 0.00	
Month 72	\$ 0.00	
Month 73	\$ 2,259,007.26	
Month 74	\$ 2,258,426.26	
Month 75	\$ 2,213,433.26	
Month 76	\$ 1,902,433.26	
Month 77	\$ 1,591,433.26	
Month 78	\$ 1,280,433.26	
Month 79	\$ 969,433.26	
Month 80	\$ 658,433.26	
Month 81	\$ 347,433.26	
Month 82	\$ 3,261,203.00	
Month 83	\$ 1,261,203.00	
Month 84	\$ 1,261,203.00	
Month 85	\$ 1,261,203.00	
Month 86	\$ 1,261,203.00	
Month 87	\$ 1,261,203.00	
Month 88	\$ 1,261,203.00	
Month 89	\$ 1,261,203.00	
Month 90	\$ 1,261,203.00	
Month 91	\$ 1,261,203.00	
Month 92	\$ 1,261,203.00	
Month 93	\$ 1,261,203.00	
Month 94	\$ 1,261,203.00	
Month 95	\$ 1,261,203.00	
Month 96	\$ 1,261,203.00	
Month 97	\$ 1,261,203.00	
Month 98	\$ 1,261,203.00	
Month 99	\$ 1,261,203.00	
Month 100	\$ 1,261,203.00	
Month 101	\$ 1,261,203.00	
Month 102	\$ 748,844.00	
Month 103	\$ 688,844.00	
Month 104	\$ 628,844.00	
Month 105	\$ 568,844.00	
Month 106	\$ 508,844.00	
Month 107	\$ 448,844.00	
Month 108	\$ 388,844.00	
Month 109	\$ 328,844.00	
Month 110	\$ 268,844.00	
Month 111	\$ 208,844.00	
Month 112	\$ 148,844.00	
Month 113	\$ 88,844.00	
Month 114	\$ 748,844.00	
Month 115	\$ 688,844.00	
Month 116	\$ 628,844.00	
Month 117	\$ 568,844.00	
Month 118	\$ 508,844.00	
Month 119	\$ 448,844.00	
Month 120	\$ 388,844.00	
Month 121	\$ 328,844.00	
Month 122	\$ 268,844.00	
Month 123	\$ 208,844.00	
Month 124	\$ 148,844.00	
Month 125	\$ 88,844.00	

Termination Month	Termination Charge	Assumptions
Month 1	\$ 68,087.26	
Month 2	\$ 67,406.26	
Month 3	\$ 66,725.26	
Month 4	\$ 66,044.26	
Month 5	\$ 65,363.26	
Month 6	\$ 64,682.26	
Month 7	\$ 64,001.26	
Month 8	\$ 63,320.26	
Month 9	\$ 62,639.26	
Month 10	\$ 61,958.26	
Month 11	\$ 61,277.26	
Month 12	\$ 60,596.26	
Month 13	\$ 59,915.26	
Month 14	\$ 59,234.26	
Month 15	\$ 58,553.26	
Month 16	\$ 57,872.26	
Month 17	\$ 57,191.26	
Month 18	\$ 56,510.26	
Month 19	\$ 55,829.26	
Month 20	\$ 55,148.26	
Month 21	\$ 54,467.26	
Month 22	\$ 53,786.26	
Month 23	\$ 53,105.26	
Month 24	\$ 52,424.26	
Month 25	\$ 51,743.26	
Month 26	\$ 51,062.26	
Month 27	\$ 50,381.26	
Month 28	\$ 49,700.26	
Month 29	\$ 49,019.26	
Month 30	\$ 48,338.26	
Month 31	\$ 47,657.26	
Month 32	\$ 46,976.26	
Month 33	\$ 46,295.26	
Month 34	\$ 45,614.26	
Month 35	\$ 44,933.26	
Month 36	\$ 44,252.26	
Month 37	\$ 43,571.26	
Month 38	\$ 42,890.26	
Month 39	\$ 42,209.26	
Month 40	\$ 41,528.26	
Month 41	\$ 40,847.26	
Month 42	\$ 40,166.26	
Month 43	\$ 39,485.26	
Month 44	\$ 38,804.26	
Month 45	\$ 38,123.26	
Month 46	\$ 37,442.26	
Month 47	\$ 36,761.26	
Month 48	\$ 36,080.26	
Month 49	\$ 35,399.26	
Month 50	\$ 34,718.26	
Month 51	\$ 34,037.26	
Month 52	\$ 33,356.26	
Month 53	\$ 32,675.26	
Month 54	\$ 31,994.26	
Month 55	\$ 31,313.26	
Month 56	\$ 30,632.26	
Month 57	\$ 29,951.26	
Month 58	\$ 29,270.26	
Month 59	\$ 28,589.26	
Month 60	\$ 27,908.26	
Month 61	\$ 27,227.26	
Month 62	\$ 26,546.26	
Month 63	\$ 25,865.26	
Month 64	\$ 25,184.26	
Month 65	\$ 24,503.26	
Month 66	\$ 23,822.26	
Month 67	\$ 23,141.26	
Month 68	\$ 22,460.26	
Month 69	\$ 21,779.26	
Month 70	\$ 21,098.26	
Month 71	\$ 20,417.26	
Month 72	\$ 19,736.26	
Month 73	\$ 19,055.26	
Month 74	\$ 18,374.26	
Month 75	\$ 17,693.26	
Month 76	\$ 17,012.26	
Month 77	\$ 16,331.26	
Month 78	\$ 15,650.26	
Month 79	\$ 14,969.26	
Month 80	\$ 14,288.26	
Month 81	\$ 13,607.26	
Month 82	\$ 12,926.26	
Month 83	\$ 12,245.26	
Month 84	\$ 11,564.26	
Month 85	\$ 10,883.26	
Month 86	\$ 10,202.26	
Month 87	\$ 9,521.26	
Month 88	\$ 8,840.26	
Month 89	\$ 8,159.26	
Month 90	\$ 7,478.26	
Month 91	\$ 6,797.26	
Month 92	\$ 6,116.26	
Month 93	\$ 5,435.26	
Month 94	\$ 4,754.26	
Month 95	\$ 4,073.26	
Month 96	\$ 3,392.26	
Month 97	\$ 2,711.26	
Month 98	\$ 2,030.26	
Month 99	\$ 1,349.26	
Month 100	\$ 668.26	
Month 101	\$ 0.00	
Month 102	\$ 0.00	
Month 103	\$ 0.00	
Month 104	\$ 0.00	
Month 105	\$ 0.00	
Month 106	\$ 0.00	
Month 107	\$ 0.00	
Month 108	\$ 0.00	
Month 109	\$ 0.00	
Month 110	\$ 0.00	
Month 111	\$ 0.00	
Month 112	\$ 0.00	
Month 113	\$ 0.00	
Month 114	\$ 0.00	
Month 115	\$ 0.00	
Month 116	\$ 0.00	
Month 117	\$ 0.00	
Month 118	\$ 0.00	
Month 119	\$ 0.00	
Month 120	\$ 0.00	
Month 121	\$ 0.00	
Month 122	\$ 0.00	
Month 123	\$ 0.00	
Month 124	\$ 0.00	
Month 125	\$ 0.00	

Termination Month	Termination Charge	Assumptions
Month 1	\$ 145,014.57	
Month 2	\$ 143,479.57	
Month 3	\$ 141,944.57	
Month 4	\$ 140,409.57	
Month 5	\$ 138,874.57	
Month 6	\$ 137,339.57	
Month 7	\$ 135,804.57	
Month 8	\$ 134,269.57	
Month 9	\$ 132,734.57	
Month 10	\$ 131,199.57	
Month 11	\$ 129,664.57	
Month 12	\$ 128,129.57	
Month 13	\$ 126,594.57	
Month 14	\$ 125,059.57	
Month 15	\$ 123,524.57	
Month 16	\$ 121,989.57	
Month 17	\$ 120,454.57	
Month 18	\$ 118,919.57	
Month 19	\$ 117,384.57	
Month 20	\$ 115,849.57	
Month 21	\$ 114,314.57	
Month 22	\$ 112,779.57	
Month 23	\$ 111,244.57	
Month 24	\$ 109,709.57	
Month 25	\$ 108,174.57	
Month 26	\$ 106,639.57	
Month 27	\$ 105,104.57	
Month 28	\$ 103,569.57	
Month 29	\$ 102,034.57	
Month 30	\$ 100,499.57	
Month 31	\$ 98,964.57	
Month 32	\$ 97,429.57	
Month 33	\$ 95,894.57	
Month 34	\$ 94,359.57	
Month 35	\$ 92,824.57	
Month 36	\$ 91,289.57	
Month 37	\$ 89,754.57	
Month 38	\$ 88,219.57	
Month 39	\$ 86,684.57	
Month 40	\$ 85,149.57	
Month 41	\$ 83,614.57	
Month 42	\$ 82,079.57	
Month 43	\$ 80,544.57	
Month 44	\$ 79,009.57	
Month 45	\$ 77,474.57	
Month 46	\$ 75,939.57	
Month 47	\$ 74,404.57	
Month 48	\$ 72,869.57	
Month 49	\$ 71,334.57	
Month 50	\$ 69,799.57	
Month 51	\$ 68,264.57	
Month 52	\$ 66,729.57	
Month 53	\$ 65,194.57	
Month 54	\$ 63,659.57	
Month 55	\$ 62,124.57	
Month 56	\$ 60,589.57	
Month 57	\$ 59,054.57	
Month 58	\$ 57,519.57	
Month 59	\$ 55,984.57	
Month 60	\$ 54,449.57	
Month 61	\$ 52,914.57	
Month 62	\$ 51,379.57	
Month 63	\$ 49,844.57	
Month 64	\$ 48,309.57	
Month 65	\$ 46,774.57	
Month 66	\$ 45,239.57	
Month 67	\$ 43,704.57	
Month 68	\$ 42,169.57	
Month 69	\$ 40,634.57	
Month 70	\$ 39,099.57	
Month 71	\$ 37,564.57	
Month 72	\$ 36,029.57	

Termination Month	Termination Charge	Assumptions
Month 1	\$ 226,248.85	
Month 2	\$ 225,248.85	
Month 3	\$ 224,248.85	
Month 4	\$ 223,248.85	
Month 5	\$ 222,248.85	
Month 6	\$ 221,248.85	
Month 7	\$ 220,248.85	
Month 8	\$ 219,248.85	
Month 9	\$ 218,248.85	
Month 10	\$ 217,248.85	
Month 11	\$ 216,248.85	
Month 12	\$ 215,248.85	
Month 13	\$ 214,248.85	
Month 14	\$ 213,248.85	
Month 15	\$ 212,248.85	
Month 16	\$ 211,248.85	
Month 17	\$ 210,248.85	
Month 18	\$ 209,248.85	
Month 19	\$ 208,248.85	
Month 20	\$ 207,248.85	
Month 21	\$ 206,248.85	
Month 22	\$ 205,248.85	
Month 23	\$ 204,248.85	
Month 24	\$ 203,248.85	
Month 25	\$ 202,248.85	
Month 26	\$ 201,248.85	
Month 27	\$ 200,248.85	
Month 28	\$ 199,248.85	
Month 29	\$ 198,248.85	
Month 30	\$ 197,248.85	
Month 31	\$ 196,248.85	
Month 32	\$ 195,248.85	
Month 33	\$ 194,248.85	
Month 34	\$ 193,248.85	
Month 35	\$ 192,248.85	
Month 36	\$ 191,248.85	
Month 37	\$ 190,248.85	
Month 38	\$ 189,248.85	
Month 39	\$ 188,248.85	
Month 40	\$ 18	

Disentanglement Fee Estimate

Disentanglement Fee Estimate	
Service Recipient:	County of Orange
Vendor Name:	SAIC - Scope 1

Click links for
[IOC page](#)

Orange County Data Center	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Disentanglement Fee Estimate										
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Desktop	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Disentanglement Fee Estimate										
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Service Desk	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Disentanglement Fee Estimate										
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ADM	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 & 8 (Extension)	Year 9 (Option Year 1)	Year 10 (Option Year 2)	Assumptions
Disentanglement Fee Estimate										
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Hourly Rate Sheet

The image displays a large grid for an hourly rate sheet. At the top left, there is a legend with two boxes: one yellow and one black. The grid itself is composed of multiple columns and rows. The top portion of the grid is filled with green cells, while the bottom portion contains blue cells. The grid is organized into several vertical sections, each containing a list of items or services in the first column, followed by columns for various rates and costs. The overall layout is a complex data table used for financial reporting.

Assumptions 082219

<u>Tower</u>	<u>Solution / Price Assumption</u>	<u>Comments</u>
Email	SSA email will be taken over by OCIT in physical state; OCIT will migration mailboxes to [REDACTED] with SAIC assistance; SAIC will inherit [REDACTED] mailboxes to maintain	
Email	SSA email migration support will be performed by an NRI work order	
Email	OCIT [REDACTED] mailboxes will be moved back to SAIC for management	
Email	OCIT continues to manage overall [REDACTED] backend infrastructure and configuration to include County Azure tenancy	
MDM	SAIC continues to manage [REDACTED] until retired	
MDM	OCIT manages [REDACTED] tenancy	
MDM	Single end user resource unit applies for both [REDACTED] and [REDACTED] managed devices	
MDM	[REDACTED] servers continue to bill as standard server resources. Dedicated resource unit no longer utilized.	
MDM	County BYOD devices will become managed endpoints in [REDACTED] / [REDACTED] and billable	Parties agree to evaluate different RU for BYOD users if truly less support required
[REDACTED] / MIM	Support levels for final state of MIM can not be determined at this time and may require an equitable adjustment to the contract pricing	
Server	Cloud-based server resource unit rates cover management of server only; does not include backend cloud platform / tenancy management or enablement	
Server	Implementation of [REDACTED] project (server, DB, [REDACTED] scheduling, backup, DR) is not included in server rates and to be funded by separate work order	
Server	SSA Server, core infrastructure, [REDACTED] etc. take over will require project to perform necessary migration to [REDACTED] Solarwinds, and all backend processes	
Server	Future [REDACTED] application upgrades to be funded as a work order; future AIX refresh funded as project	
[REDACTED]	[REDACTED] retirement and refresh projects remain funded until which time County deems no longer necessary at time of system retirement	
Production Control	Resource Unit to be allocated by County per annual job schedule provided by team for one [REDACTED] system at ~[REDACTED] obs per month	
Production Control	Increased volume produced by [REDACTED] due to overlapping systems is unknown - surge labor will be funded by project	
Storage, BU, Rep.	County to provide new storage, backup, replication solution in production effective July 1, 2022. SAIC hardware support extended through June 30, 2022.	
Storage, BU, Rep.	Replacement design, implementation, commissioning of new Storage solution will be funded as a project work order	
Storage, BU, Rep.	Cloud resources needing backup locally or in cloud will be billable resource units of labor	
Disaster Recovery	[REDACTED] agreement remains in place through June 30, 2022; Annual extension options beyond that date will be created based on commitment of 1 year minimum services.	
Disaster Recovery	Hardware required to refresh aging network / server equipment to be purchased by County; SAIC to conduct refresh as BAU effort	SAIC to provide list of hardware to OCIT
Disaster Recovery	[REDACTED] circuit removed from SAIC; County assumes responsibility to provide	
Disaster Recovery	SSA [REDACTED] databases returning to SAIC scope may require work order to reconfigure, re-ingest into County enterprise	
Disaster Recovery	Support for network path, routers, and firewalls connecting County to [REDACTED] moved to NVS contract. No longer in scope to DDAS.	
[REDACTED] switch	Support remains as actually the [REDACTED] distributed switch; support moved under virtual server hosts	
Applications Support	Assumes 19.5 FTEs funded through June 2021 at which time ARK resources go away. Future contracting of ARK will become responsibility of County if required.	
Desktop	Onboarding of new agencies will be funded as work order to migrate into [REDACTED] and backend processes	
Desktop	[REDACTED] iMACS priced; assumes [REDACTED] additional project iMACS remain billable as single iMAC per project (current "free" remains in place)	
Desktop	End user mobility device support is based on SOW; includes defined list of device types; does not include BYOD devices	
Desktop	Mobile device detail to be extracted from [REDACTED] or [REDACTED] SAIC will not track individual mobile devices for purposes of asset management	
Desktop	SSA image management based on a defined set of images and set frequency of updates; undefined requirements may change pricing due to additional staff being required	Confirmation of 3 images in use (2 SSA; 1 CFS)
Service Desk	Band pricing continues to apply	
Service Desk	Onboarding of SSA to be done within the price given reasonable time and data available to build into [REDACTED]	

Contract Summary Form

Science Applications International Corporation (SAIC)

SUMMARY OF SIGNIFICANT CHANGES

1. Type 2 Work Orders: The list below includes the Type 2 Work Orders requested for Board approval, to extend the service dates to cover the period July 1, 2021, through June 30, 2022, so that SAIC resources can continue to support the County (see Attachments A – C).

Work Order Number	Requesting Department	Description
CY7-005 Amendment #1	Orange County Information Technology (Countywide)	Provides services to support multiple Countywide OnBase applications and projects.
CY7-006 Amendment #1	Orange County Information Technology (Countywide)	Provides operations and maintenance support Services.
CY8-001	OC Probation Department (Probation)	Provides resources to support Probation's server environments.

2. Annual Baseline Adjustments to Service Demand: Amendment Number 19 to Agreement MA-017-13011864 modifies Appendix 3.1 (SOW Pricing Appendix) to reflect adjustments to Baseline Quantities for the Vendor's commencement of Desktop Services for the OC Probation Department as well as Baseline Quantity adjustments for various Services based on estimated usage; reflecting an increase of \$4,563,690, for a new estimated cumulative agreement total of \$217,905,290 (see Attachment D - Amendment Number 19 to Agreement MA-017-13011864).

SUBCONTRACTORS

This contract allows for subcontracting with Orange County Information Technology's consent pursuant to Section 25 (Use of Affiliates and Subcontractors) within the contract amount for the term specified. Should the addition of a subcontractor impact the scope of work and/or contract amount, the department will bring the item back to the Board of Supervisors for approval.

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
1. Vology (formerly GovPlace)	1. Storage, backup and replication system	Amounts
2. SunGard	2. Disaster Recovery/Business Recovery Center	unknown as
3. SyComp Systems	3. AIX environment support	the Contractor
4. ARK	4. Staff augmentation	does not
5. E911	5. OCid, ATSII and staff augmentation	provide this
6. SR2K	6. AIX Staffing	information to
7. AT&T	7. Disaster recovery circuits	the County.

8. Cerith Consulting	8. Business consulting	
9. Winkle Systems	9. IBM Mainframe System Programming staff support	
10. BMC	10. BMC Control M software support for Mainframe	
11. CA Technologies	11. CA software support for Mainframe upgrade	
12. Microsoft	12. Premier agreement for servers and PCs	

CONTRACT OPERATING EXPENSES

Type 2 Work Orders

The chart below shows the cumulative total of Work Orders executed to date and the balance left of the \$16 million "Reserved Dollars".

Description	Amount
Reserved Dollars for Work Orders	\$ 16,000,000
Work Orders Executed to Date	\$ 10,241,213
Balance of Reserved Dollars for Work Orders	\$ 5,758,787

Amendment Number 19 to the Contract

Fiscal Year	Amendment No. 18	Amendment No. 19	Difference: Amendment 18 vs. Amendment 19
Recurring Service Fees			
FY 13-14 (Feb 2014 - Jun 2014)	\$ 6,268,431	\$ 6,268,431	\$ -
FY 14-15	\$ 15,742,525	\$ 15,742,525	\$ -
FY 15-16	\$ 16,669,685	\$ 16,669,685	\$ -
FY 16-17	\$ 18,465,787	\$ 18,465,787	\$ -
FY 17-18	\$ 18,439,447	\$ 18,439,447	\$ -
FY 18-19	\$ 17,399,749	\$ 17,399,749	\$ -
FY 19-20	\$ 15,931,316	\$ 15,931,316	\$ -
FY 20-21	\$ 15,353,568	\$ 15,577,242	\$ 223,674
FY 21-22	\$ 15,267,168	\$ 16,934,304	\$ 1,667,136
FY 22-23	\$ 15,329,916	\$ 16,734,276	\$ 1,404,360
FY 22-24	\$ 15,539,508	\$ 16,808,028	\$ 1,268,520
Ten-Year Subtotal	\$ 170,407,100	\$ 174,970,790	\$ 4,563,690
Transition Fees	\$ 3,572,510	\$ 3,572,510	\$ -
Current Total In-Scope Work Orders Thru Year 6	\$ 23,361,990	\$ 23,361,990	\$ -
Reserved Dollars for Work Orders Years 7 thru 10	\$ 16,000,000	\$ 16,000,000	\$ -
Total Est. 10-Year Cumulative Contract Value	\$ 213,341,600	\$ 217,905,290	\$ 4,563,690

Contract Summary Form

Science Applications International Corporation (SAIC)

SUMMARY OF SIGNIFICANT CHANGES

1. Type 2 Work Orders: The list below includes the Type 2 Work Orders requested for Board approval, to extend the service dates to cover the period July 1, 2021, through June 30, 2022, so that SAIC resources can continue to support the County (see Attachments A – C).

Work Order Number	Requesting Department	Description
CY7-005 Amendment #1	Orange County Information Technology (Countywide)	Provides services to support multiple Countywide OnBase applications and projects.
CY7-006 Amendment #1	Orange County Information Technology (Countywide)	Provides operations and maintenance support Services.
CY8-001	OC Probation Department (Probation)	Provides resources to support Probation's server environments.

2. Annual Baseline Adjustments to Service Demand: Amendment Number 19 to Agreement MA-017-13011864 modifies Appendix 3.1 (SOW Pricing Appendix) to reflect adjustments to Baseline Quantities for the Vendor's commencement of Desktop Services for the OC Probation Department as well as Baseline Quantity adjustments for various Services based on estimated usage; reflecting an increase of \$4,563,690, for a new estimated cumulative agreement total of \$217,905,290 (see Attachment D - Amendment Number 19 to Agreement MA-017-13011864).

SUBCONTRACTORS

This contract allows for subcontracting with Orange County Information Technology's consent pursuant to Section 25 (Use of Affiliates and Subcontractors) within the contract amount for the term specified. Should the addition of a subcontractor impact the scope of work and/or contract amount, the department will bring the item back to the Board of Supervisors for approval.

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
1. Vology (formerly GovPlace)	1. Storage, backup and replication system	Amounts unknown as the Contractor does not provide this information to the County.
2. SunGard	2. Disaster Recovery/Business Recovery Center	
3. SyComp Systems	3. AIX environment support	
4. ARK	4. Staff augmentation	
5. E911	5. OCid, ATSII and staff augmentation	
6. SR2K	6. AIX Staffing	
7. AT&T	7. Disaster recovery circuits	

8. Cerith Consulting	8. Business consulting	
9. Winkle Systems	9. IBM Mainframe System Programming staff support	
10. BMC	10. BMC Control M software support for Mainframe	
11. CA Technologies	11. CA software support for Mainframe upgrade	
12. Microsoft	12. Premier agreement for servers and PCs	

CONTRACT OPERATING EXPENSES

Type 2 Work Orders

The chart below shows the cumulative total of Work Orders executed to date and the balance left of the \$16 million "Reserved Dollars".

Description	Amount
Reserved Dollars for Work Orders	\$ 16,000,000
Work Orders Executed to Date	\$ 10,241,213
Balance of Reserved Dollars for Work Orders	\$ 5,758,787

Amendment Number 19 to the Contract

Fiscal Year	Amendment No. 18	Amendment No. 19	Difference: Amendment 18 vs. Amendment 19
Recurring Service Fees			
FY 13-14 (Feb 2014 - Jun 2014)	\$ 6,268,431	\$ 6,268,431	\$ -
FY 14-15	\$ 15,742,525	\$ 15,742,525	\$ -
FY 15-16	\$ 16,669,685	\$ 16,669,685	\$ -
FY 16-17	\$ 18,465,787	\$ 18,465,787	\$ -
FY 17-18	\$ 18,439,447	\$ 18,439,447	\$ -
FY 18-19	\$ 17,399,749	\$ 17,399,749	\$ -
FY 19-20	\$ 15,931,316	\$ 15,931,316	\$ -
FY 20-21	\$ 15,353,568	\$ 15,577,242	\$ 223,674
FY 21-22	\$ 15,267,168	\$ 16,934,304	\$ 1,667,136
FY 22-23	\$ 15,329,916	\$ 16,734,276	\$ 1,404,360
FY 22-24	\$ 15,539,508	\$ 16,808,028	\$ 1,268,520
Ten-Year Subtotal	\$ 170,407,100	\$ 174,970,790	\$ 4,563,690
Transition Fees	\$ 3,572,510	\$ 3,572,510	\$ -
Current Total In-Scope Work Orders Thru Year 6	\$ 23,361,990	\$ 23,361,990	\$ -
Reserved Dollars for Work Orders Years 7 thru 10	\$ 16,000,000	\$ 16,000,000	\$ -
Total Est. 10-Year Cumulative Contract Value	\$ 213,341,600	\$ 217,905,290	\$ 4,563,690



AGENDA STAFF REPORT

Agenda Item

84

ASR Control 21-000087

MEETING DATE: 05/25/21
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office (Approved)
DEPARTMENT CONTACT PERSON(S): Peter DeMarco (714) 834-5777
 Cynthia Shintaku (714) 834-7086

SUBJECT: Grant Applications/Awards Report

CEO CONCUR Concur	COUNTY COUNSEL REVIEW Approved Resolution to Form	CLERK OF THE BOARD Discussion 3 Votes Board Majority
-----------------------------	---	---

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A
Staffing Impact: No **# of Positions:** **Sole Source:** N/A
Current Fiscal Year Revenue: N/A
Funding Source: N/A **County Audit in last 3 years:** No

Prior Board Action: N/A

RECOMMENDED ACTION(S):

Approve grant applications/awards as proposed and other actions as recommended.

1. Approve Retroactive Grant Award – OC Community Resources –Emergency Housing Vouchers – \$8,919,864.
2. Approve Grant Award and Adopt Resolution – OC Community Resources – Project Homekey-Tahiti Hotel –\$13,440,000.
3. Approve Grant Award and Adopt Resolution – OC Community Resources – Health Insurance Counseling and Advocacy Program – \$621,867.
4. Approve Grant Award – OC Community Resources – Summer Training and Employment Program for Students (STEPS) – \$250,000.
5. Approve Retroactive Grant Application and Grant Award – Health Care Agency – Treasury’s Emergency Rental Assistance Program (ERA 2) – \$82,503,567.90.
6. Approve Grant Award – Health Care Agency – Coronavirus Emergency Supplemental Funding (CESF) Program – \$4,878,737.

7. Approve Grant Award and Agreement – Health Care Agency – Office of Statewide Health Planning and Development Workforce Education and Training Grant – \$2,425,24.
8. Approve Grant Application –Sheriff-Coroner’s Department – FY 2021 DNA Capacity Enhancement for Backlog Reduction (CEBR) Program (Formula) – \$500,000.
9. Approve Grant Award and Adopt Resolution – District Attorney’s Office – Victim Compensation Program – \$1,657,525.13.
10. Receive and File Grant Report.

SUMMARY:

See the attached Grants Report.

BACKGROUND INFORMATION:

See the attached Grants Report.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - Grants Report

Attachment B - OCCR- Project Homekey Tahiti Motel Resolution

Attachment B - OCCR- Health Insurance Counseling and Advocacy Program Resolution

Attachment B - DA - Victim Compensation Program

Attachment C-HCA - Workforce Education Training Agreement



Grants Report

DRAFT

County Executive Office/Legislative Affairs

May 25, 2021
Item No: 84

County of Orange Report on Grant Applications/Awards

The Grants Report is a condensed list of grant requests by County Agencies/Departments that allows the Board of Supervisors to discuss and approve grant submittals in one motion at a Board meeting. County policy dictates that the Board of Supervisors must approve all grant applications prior to submittal to the grantor. This applies to grants of all amounts, as well as to new grants and those that have been received by the County for many years as part of an ongoing grant. Receipt of grants \$50,000 or less is delegated to the County Executive Officer. Grant awards greater than \$50,000 must be presented to the Board of Supervisors for receipt of funds. This report allows for better tracking of county grant requests, the success rate of our grants, and monitoring of County's grants activities. It also serves to inform Orange County's Sacramento and Washington, D.C. advocates of County grant activities involving the State or Federal Governments.

On May 25, 2021 the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

Approve grant applications/awards as proposed and other actions as recommended.

ACTION ITEMS:

1. Approve Retroactive Grant Award – OC Community Resources –Emergency Housing Vouchers – \$8,919,864.
2. Approve Grant Award and Adopt Resolution – OC Community Resources – Project Homekey-Tahiti Hotel –\$13,440,000.
3. Approve Grant Award and Adopt Resolution – OC Community Resources – Health Insurance Counseling and Advocacy Program – \$621,867.
4. Approve Grant Award – OC Community Resources – Summer Training and Employment Program for Students (STEPS) – \$250,000.
5. Approve Retroactive Grant Application and Grant Award – Health Care Agency – Treasury's Emergency Rental Assistance Program (ERA 2) – \$82,503,567.90.
6. Approve Grant Award – Health Care Agency – Coronavirus Emergency Supplemental Funding (CESF) Program – \$4,878,737.
7. Approve Grant Award and Agreement – Health Care Agency – Office of Statewide Health Planning and Development Workforce Education and Training Grant – \$2,425,246.
8. Approve Grant Application –Sheriff-Coroner's Department – FY 2021 DNA Capacity Enhancement for Backlog Reduction (CEBR) Program (Formula) – \$500,000.

9. Approve Grant Award and Adopt Resolution – District Attorney’s Office – Victim Compensation Program – \$1,657,525.13.

10. Receive and File Grants Report.

If you or your staff have any questions or require additional information on any of the items in this report, please contact Cynthia Shintaku at 714-834-7086



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	May 18, 2021
Requesting Agency/Department:	OC Community Resources/Orange County Housing Authority
Grant Name and Project Title:	Emergency Housing Vouchers
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	United States Department of Housing and Urban Development
Application Amount Requested:	N/A
Application Due Date:	N/A- grant is by invitation only
Board Date when Board Approved this Application:	May 11, 2021
Awarded Funding Amount:	\$8,919,864
Notification Date of Funding Award:	May 10, 2021
Is this an Authorized Retroactive Grant Application/Award? Yes <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input checked="" type="checkbox"/> Recurrent <input type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	N/A
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: By Invitation
County Match?	Yes <input type="checkbox"/> Amount No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	Yes. Six positions to be fully funded through the grant
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.
<p>On May 10, 2021, the United States Department of Housing and Urban Development (HUD) notified Orange County Housing Authority (OCHA) it was awarded 557 Emergency Housing Vouchers under the American Rescue Plan Act. This award is a 5 percent increase in OCHA's voucher allocation, bringing OCHA's total voucher count to 11,863 and constitutes the largest single award to Orange County in 20 years.</p> <p>This funding for the Emergency Housing Voucher (EHV) Program must be used to provide rental assistance and services for households that are:</p> <ul style="list-style-type: none"> • Homeless • At risk of homelessness • Fleeing domestic violence, sexual assault, stalking, or human trafficking • Recently homeless <p>Because the deadline to accept this award was May 24, 2021, OCHA is requesting retroactive authorization for said acceptance. Upon such, in compliance with the Program requirements outlined in HUD Notice PIH 2021-15, OCHA will partner with the OC Health Care Agency, Continuum of Care and</p>	



**CEO-Legislative Affairs Office
Grant Authorization eForm**

community partners to administer the EHV Program, effective July 1, 2021. The HUD Notice requires among other things a Memorandum of Understanding between OCHA and the Continuum of Care. The grant comes with on-going funding for the vouchers and administration, however, after September 30, 2023, HUD prohibits the reissuance of these vouchers, should a household's assistance end (whether voluntary or through termination)

Board Resolution Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(Please attach document to eForm)	
Deputy County Counsel Name:	
(Please list the Deputy County Counsel that approved the Resolution)	

Recommended Action/Special Instructions
(Please specify below)

1. Retroactively authorize the OC Community Resources Director or designee to accept the Emergency Housing Voucher award in the amount of \$8,919,864.
2. Authorize the OC Community Resources Director or designee receive and expend Emergency Housing Voucher funding to administer the Emergency Housing Voucher Program according to HUD regulations and applicable law.
3. Authorize the OC Community Resources Director, or designee, to sign a Memorandum of Understanding with the Orange County Continuum of Care, as required under HUD Notice PIH 2021-15, grant documents, amendments to the Orange County Housing Authority's Consolidated Annual Contributions Contract with HUD related to the Emergency Housing Voucher program, and other documents necessary to administer the Emergency Housing Voucher program pursuant to HUD regulations and applicable law.
4. Authorize the Orange County Housing Authority to update its Administrative Plan to administer the Emergency Housing Voucher Program consistent with HUD regulations and applicable law.

Department Contact:	List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.
Julia Bidwell - (714) 480-2991 julia.bidwell@occr.ocgov.com	

Name of the individual attending the Board Meeting:	List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.
--	--

Dylan Wright – (714) 480-2788, Dylan.Wright@occr.ocgov.com
Director, OC Community Resources



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	05/13/2021	
Requesting Agency/Department:	OC Community Resources/OC Housing and Community Development	
Grant Name and Project Title:	Project Homekey/Tahiti Motel	
Sponsoring Organization/Grant Source: (If the grant source is not a government entity, please provide a brief description of the organization/foundation)	State of California Department of Housing and Community Development	
Application Amount Requested:	Total request amount: \$13,440,000.	
Application Due Date:	08/13/2020	
Board Date when Board Approved this Application:	07/28/2020	
Awarded Funding Amount:	\$13,440,000.	
Notification Date of Funding Award:	04/21/2021	
Is this an Authorized Retroactive Grant Application/Award? N/A (If yes, attach memo to CEO)		
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input type="checkbox"/>	Other <input checked="" type="checkbox"/> Explain: Updating Resolution as required by State
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	N/A	
Does this grant require CEQA findings?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input checked="" type="checkbox"/>	Other Type <input type="checkbox"/> Explain:
County Match?	Yes <input checked="" type="checkbox"/> Amount: \$10,851,928	No <input type="checkbox"/>
How will the County Match be Fulfilled? (Please include the specific budget)	County match fulfilled through local and federal funds for both capital and operating costs.	
Will the grant/program create new part or full-time positions?	No.	
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.	
<p>The County along with its co-applicant, Jamboree Housing, submitted three applications for Homekey funding. Two applications were awarded funding by the State Department of Housing & Community Development (State HCD). On November 17, 2020, the County supported the Tahiti Motel project with matching funds from Housing Successor Agency funds. The County entered into a state standard agreement with State HCD on November 30, 2020 for both Tahiti Motel and Stanton Inn.</p> <p>On April 21, 2021, State HCD notified the County that given that the matching funds for the Tahiti Motel are Housing Successor Agency funds, the County would need to revise the previously approved resolution to reflect the Board of Commissioners to the Orange County Housing Authority as the applicant in place of the County of Orange. As such, the resolution before the Board is revised to reflect that the applicant is the Board of Commissioners acting as the Orange County Housing Authority.</p>		



**CEO-Legislative Affairs Office
Grant Authorization eForm**

<p>Board Resolution Required? (Please attach document to eForm)</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p>Deputy County Counsel Name: (Please list the Deputy County Counsel that approved the Resolution)</p>	<p>Jacqueline Guzman</p>
<p>Recommended Action/Special Instructions (Please specify below)</p> <p>1. Adopt updated Resolution naming the Orange County Housing Authority a Co-applicant for the Project Homekey funds and authorizing OC Community Resources Director or designee to execute the Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Homekey Notice of Funding Availability application, if application is approved for funding and as the California State Department of Housing and Community Development may deem appropriate.</p>	
<p>Department Contact:</p>	<p>List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.</p>
<p>Julia Bidwell OC Housing and Community Development julia.bidwell@occr.ocgov.com (714) 480-2991</p>	
<p>Name of the individual attending the Board Meeting:</p>	<p>List the name of the individual who will be attending the Board Meeting for this Grant Item:</p>
<p>Dylan Wright Director, OC Community Resources</p>	

AUTHORIZING RESOLUTION

Resolution No.:

A RESOLUTION OF THE GOVERNING BODY OF ORANGE COUNTY HOUSING AUTHORITY AUTHORIZING JOINT APPLICATION TO THE HOMEKEY PROGRAM

WHEREAS:

A. The Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (“**NOFA**”), dated July 16, 2020, for the Homekey Program (“**Homekey**” or “**Homekey Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.)

B. The Orange County Housing Authority (“**Co-Applicant**”) desires to jointly apply for Homekey grant funds with Jamboree Housing Corporation (“**Corporation**”). Towards that end, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (“**Application**”) to the Department for review and consideration.

C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, dated July 16, 2020, and to jointly apply for Homekey grant funds in a total amount not to exceed \$13,440,000. That amount includes \$12,000,000 for capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)) and \$1,440,000 for a capitalized operating subsidy (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(7)).
2. If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent by **December 30, 2020**, and that any funds awarded for capitalized operating subsidies are spent by **June 30, 2022**.
3. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$13,440,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).
4. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
5. Dylan Wright or his designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of _____, 2020, by the following vote:	
AYES:_____ NAYES:_____ ABSTAIN:_____ ABSENT:_____	
The undersigned, [NAME, TITLE OF SIGNATORY] of Co-Applicant, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.	
SIGNATURE:	DATE:
NAME:	TITLE:

Resolution No. _____, Item No.
Project Homekey-Tahiti Hotel



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	5/10/21
Requesting Agency/Department:	OC Community Resources/OC Community Services
Grant Name and Project Title:	Health Insurance Counseling and Advocacy Program
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	California Department of Aging (CDA)
Application Amount Requested:	\$621,867
Application Due Date:	10/11/19
Board Date when Board Approved this Application:	5/5/2020
Awarded Funding Amount:	\$621,867
Notification Date of Funding Award:	5/3/21
Is this an Authorized Retroactive Grant Application/Award? No <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input checked="" type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	FY 2020 – 21: \$618,147 FY 2019 – 20: \$588,187 FY 2018 – 19: \$616,282 FY 2017 – 18: \$606,707 FY 2016 – 17: \$667,314 FY 2015 – 16: \$657,542
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: HICAP funds are allocated from the Federal Government to the California Department of Aging (CDA) as a Formula Grant. Through a State formula allocation, CDA allocated HICAP funds to the County.
County Match?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No.
Purpose of Grant Funds:	<small>Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.</small>
The Health Insurance Counseling and Advocacy Program (HICAP) is a consumer-oriented health insurance counseling and education program. Participants are provided with free, unbiased, one-on-one counseling, along with education and assistance to individuals and their families on Medicare, Long-Term Care insurance, planning for Long-Term Care needs, and other health insurance related issues. HICAP counselors are trained in Medi-Cal and Medicare to help consumers understand the complex health insurance options. Counseling services are available to persons 65 years of age or older, who are eligible for Medicare, soon to be eligible for Medicare, or disabled persons younger than age 65, who are eligible for Medicare. In the current fiscal year, Council on Aging – Southern California (CoA) is administering the HICAP program in Orange County under a contract with the County of Orange. Due to the ongoing pandemic, CoA has modified their outreach services in FY 2020-21 to virtual sessions, in	



**CEO-Legislative Affairs Office
Grant Authorization eForm**

an effort accommodate the current social distancing guidelines. Outreach operations will continue to function via virtual methods until social distancing orders are lifted. Additionally, funds from the grant will be used to create HICAP marketing materials, purchase program equipment, and provide virtual outreach to potential HICAP eligible consumers. As of March 2021, CoA provided approximately 233 virtual public media events reaching over 418,686 potential HICAP eligible consumers.

Board Resolution Required?

(Please attach document to eForm)

Yes

No

Deputy County Counsel Name:

(Please list the Deputy County Counsel that approved the Resolution)

John Cleveland

Recommended Action/Special Instructions

(Please specify below)

1. Adopt the resolution as approved by County Counsel to receive \$621,867 in funds from the California Department of Aging for the Health Insurance Counseling and Advocacy Program.
2. Approve the State Standard Agreement HI-2122-22, with the California Department of Aging in the amount of \$621,867 for the term of July 1, 2021 – June 30, 2022, Contractor Certification Clauses, Information Integrity and Security Statement, and California Civil Rights Laws Certification.
3. Authorize the OC Community Resources Director or designee to execute the State Standard Agreement HI-2122-22, Contractor Certification Clauses, Information Integrity and Security Statement, and California Civil Rights Laws Certification.
4. Authorize the OC Community Resources Director or designee to execute future amendments to the State Standard Agreement HI-2122-22 to exercise a contingency cost increase, not to exceed a total of ten percent of the original State Standard Agreement HI-2122-22 amount with no material changes to the terms and conditions of the State Standard Agreement HI-2122-22.

Department Contact:

List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.

Renee Ramirez (714) 480-6483 / Renee.Ramirez@occr.ocgov.com
Dylan Wright (714) 480-2788 / Dylan.Wright@occr.ocgov.com

Name of the individual attending the Board Meeting:

List the name of the individual who will be attending the Board Meeting for this Grant Item:

Dylan Wright
Director, OC Community Resources

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA
May 25, 2021

WHEREAS, OC Community Resources Office on Aging has received State Standard Agreement HI-2122-22 in the amount of \$621,867 from the California Department of Aging containing funding allocations for Older Americans Act Programs; and

WHEREAS, the County of Orange assures that it will abide by the terms and conditions of Agreement HI-2122-22; and

WHEREAS this Board agrees with the terms of the State Standard Agreement and the allocation of funds contained therein.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. Approve State Standard Agreement HI-2122-22, Certification of Clauses, Information Integrity and Security Statement, and California Civil Rights Laws Certification with the California Department of Aging in the amount of \$621,867 for the term July 1, 2021, through June 30, 2022.
2. Authorize the OC Community Resources Director or designee to execute State Standard Agreement HI-2122-22, Certification of Clauses, Information Integrity and Security Statement, and California Civil Rights Laws Certification.
3. Authorize the OC Community Resources Director or designee to execute future Amendments to State Standard Agreement HI-2122-22 to exercise a contingency cost increase in an amount not to exceed ten percent of the Agreement amount with no material changes to the terms and conditions of the Agreement.

Approved By: _____

Chairman of the Board of Supervisors
County of Orange, California



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	5/6/2021
Requesting Agency/Department:	OC Community Resources/OC Community Services
Grant Name and Project Title:	Summer Training and Employment Program for Students (STEPS)
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	Foundation for California Community Colleges The Foundation is the official foundation supporting the Board of Governors, Chancellor's Office, and the California Community College system, with the mission of supporting students, colleges, college foundations, and the entire system, helping to improve higher education opportunities throughout the state.
Application Amount Requested:	\$250,000
Application Due Date:	4/17/2020
Board Date when Board Approved this Application:	5/5/2020
Awarded Funding Amount:	\$250,000
Notification Date of Funding Award:	5/5/2021
Is this an Authorized Retroactive Grant Application/Award? <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input checked="" type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	FY 19-20: \$250,000 FY 20-21: \$250,000
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: Grant renewed for FY 21-22.
County Match?	Yes <input type="checkbox"/> Amount ____ or ____ % No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.
The purpose of the Summer Training and Employment Program for Students (STEPS) grant is to provide work experience and job preparation training for students with disabilities. The STEPS program is funded by Workforce Innovation and Opportunity Act (WIOA) through the CA Department of Rehabilitation and administered by the Foundation for California Community Colleges. OC Community Resources/Community Investment Division (OCCR/CID) will contract with Goodwill Industries of Orange County to provide the STEPS program to 50 students, ages 16-21 years old. The program will provide job exploration counseling, instruction in self-advocacy, workplace readiness training, career counseling, and paid work-based learning experiences. Each student will receive up to 200 hours of work experience paid at minimum wage at worksites with integrated settings and within high demand industries. Recruitment of students will be accomplished by reaching out through the current OCCR/CID	



**CEO-Legislative Affairs Office
Grant Authorization eForm**

youth/young adult service providers, K-12 and community college district contacts, and Department of Rehabilitation.	
Board Resolution Required? (Please attach document to eForm)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Deputy County Counsel Name: (Please list the Deputy County Counsel that approved the Resolution)	N/A
Recommended Action/Special Instructions (Please specify below)	
Authorize the OC Community Resources Director or designee to accept the award funding and sign the contract amendment with the Foundation for California Community Colleges.	
Department Contact:	List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.
Renee Ramirez (714-480-6483, renee.ramirez@occr.ocgov.com)	
Name of the individual attending the Board Meeting:	List the name of the individual who will be attending the Board Meeting for this Grant Item:
Dylan Wright Director, OC Community Resources	



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	May 14, 2021
Requesting Agency/Department:	Health Care Agency Office of Care Coordination
Grant Name and Project Title:	Treasury's Emergency Rental Assistance Program (ERA 2)
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	U.S. Department of the Treasury
Application Amount Requested:	\$82,503,567.90
Application Due Date:	May 10, 2021
Board Date when Board Approved this Application:	N/A
Awarded Funding Amount:	\$82,503,567.90
Notification Date of Funding Award:	May 17, 2021
Is this an Authorized Retroactive Grant Application/Award? Yes. <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input type="checkbox"/> Other <input checked="" type="checkbox"/> Explain: Allocation under the American Rescue Plan Act
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	ERA Round 1: \$65,576,556
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: Non-competitive for FY 2020-21
County Match?	Yes <input type="checkbox"/> Amount: No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.

The Consolidated Appropriations Act of 2021, ratified by the U.S. Congress, approved the U.S. Department of the Treasury's (Treasury) administration of the Emergency Rental Assistance (ERA) 1 Program. The ERA 1 Program makes available \$25 billion to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. The ERA 1 Program must largely be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, and other expenses related to housing. A maximum of 10 percent of the ERA Program may be used towards administrative costs and housing stability services, including case management. The County of Orange (County) received \$65,576,556 in ERA 1 Program funding on January 27, 2021, to serve the residents in Orange County at greatest risk of experiencing homelessness as a result of financial hardships due to the COVID-19 pandemic. The funds are to expire on September 30, 2022.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was enacted providing the Treasury an additional \$21.6 billion for ERA 2 Program, which will help prevent evictions and ensure



**CEO-Legislative Affairs Office
Grant Authorization eForm**

basic housing security for millions of Americans impacted by the affordable housing challenges exacerbated by COVID-19. The ERA 2 also sets aside \$2.5 billion for eligible grantees with a high need for ERA2 assistance, based on the number of very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020. In addition to this financial support, the Treasury issued updated and improved guidance to expedite funds to renters and target those most severely in need of assistance. The guidance also reduces burdensome documentation requirements and wait times that can slow down assistance. The County received \$51,887,659.90 in ERA 2 Program funding and an additional \$30,615,908.00 under the High-Need allocation for a total amount of \$82,503,567.90. The funds are set to expire on September 30, 2025.

On Monday, May 10, 2021, HCA completed the ERA 2 Program application to meet the Treasury timeline to accept the ERA 2 allocation. On May 17, 2021, HCA received an award announcement of ERA 2 Program funding for eligible program activities in the initial payment amount of \$33,001,426 comprising 40 percent of the base allocation and high-needs allocation. The Treasury notes that subsequent payments will follow but did not provide a timeline when that funding would be made available. HCA is bringing the award to your honorable Board of Supervisors for approval and authorization to accept the award and execute the agreement with the Treasury to administer ERA 2 Program activities.

Board Resolution Required?
(Please attach document to eForm)

Deputy County Counsel Name:
(Please list the Deputy County Counsel that approved the Resolution)

Yes No

Recommended Action/Special Instructions
(Please specify below)

1. Authorize the Health Care Agency Director or designee to retroactively apply to the U.S. Department of the Treasury for the Emergency Rental Assistance Program grant funds in the amount of \$82,503,567.90.
2. Authorize the Health Care Agency Director or designee to retroactively accept the grant funds awarded and execute the Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Emergency Rental Assistance Program or grant award.

Department Contact:

List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.

Jason Austin
Director
Office of Care Coordination
JAustin@ochca.com
(714) 834-5000

Name of the individual attending the Board Meeting:

List the name of the individual who will be attending the Board Meeting for this Grant Item:

Jason Austin
Director of Care Coordination



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	5/12/2021
Requesting Agency/Department:	Health Care Agency
Grant Name and Project Title:	Coronavirus Emergency Supplemental Funding (CESF) Program
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	Board of State and Community Corrections (BSCC)
Application Amount Requested:	\$4,878,737
Application Due Date:	2/1/2021
Board Date when Board Approved this Application:	2/9/2021
Awarded Funding Amount:	\$4,878,737
Notification Date of Funding Award:	1/26/2021
Is this an Authorized Retroactive Grant Application/Award? NO <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input checked="" type="checkbox"/> Recurrent <input type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	N/A
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: Formula
County Match?	Yes <input type="checkbox"/> Amount ____ or ____ % No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.
<p>The BSCC, the U.S. Department of Justice, Bureau of Justice Assistance (BJA), is allocating these emergency federal funds to local governments to prevent, prepare for and respond to the coronavirus pandemic in local detention centers with a focus on meeting the re-entry needs of individuals. The Orange County Health Care Agency and Sheriff's Department will use these funds to support activities aimed at addressing the health and safety of inmates preparing for release from custody and upon reentering the local community.</p> <p>Planned activities build upon and leverage previous investments by expanding existing processes to support comprehensive discharge planning, continuity of care services, and partnering with a Community Based Organization for outreach and engagement services to support individual needs and promote compliance with public health orders. The primary components of the project plan include conducting health assessments of individuals prior to release from custody, addressing health needs for up to thirty days after release from custody, and providing case management services for health care and basic needs after release. Additionally, funding will support food delivery operations within the jail system to strengthen efforts to mitigate COVID-19.</p>	



**CEO-Legislative Affairs Office
Grant Authorization eForm**

The Grant Agreement contains an indemnification clause that differs from County's standard indemnification provision and requires the County to indemnify, defend and save harmless the State from any and all claims and losses accruing or resulting from County's performance of the Agreement. The CEO/Risk Management has reviewed and approved this provision.

Implementation of the described planned grant activities will allow for an expanded focus on the health of inmates during incarceration and post-custody to reduce the risk associated with the coronavirus. The grant period is March 31, 2021 to January 31, 2022.

Board Resolution Required?

(Please attach document to eForm)

Yes

No

Deputy County Counsel Name:

(Please list the Deputy County Counsel that approved the Resolution)

Recommended Action/Special Instructions

(Please specify below)

1. Accept award of the Board of State and Community Corrections, California Department of Justice in the amount of \$4,878,737.
2. Approve the grant agreement in the amount of \$4,878,737 for the grant period March 31, 2021 to January 31, 2022 and authorize the Health Care Agency Director or designee to execute the grant agreement.
3. Authorize Health Care Agency Director or designee to execute the Contractor Certification Clause Form, CCC 04/2017.

Department Contact :

List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.

Joanne Lim, 714-824-1382, JoLim@ochca.com

Name of the individual attending the Board Meeting:

List the name of the individual who will be attending the Board Meeting for this Grant Item:

Dr. Clayton Chau



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	5/5/2021
Requesting Agency/Department:	Health Care Agency, Behavioral Health Services
Grant Name and Project Title:	Office of Statewide Health Planning and Development Workforce Education and Training Grant
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	California Mental Health Services Act (CalMHSA) / Santa Barbara County Department of Behavioral Wellness (BWell)
Application Amount Requested:	N/A
Application Due Date:	N/A
Board Date when Board Approved this Application:	N/A
Awarded Funding Amount:	\$2,425,246
Notification Date of Funding Award:	May 11, 2021
Is this an Authorized Retroactive Grant Application/Award? <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input checked="" type="checkbox"/> Recurrent <input type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	N/A
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: The grant was applied for by Santa Barbara County BWell on behalf of the Southern Counties Regional Partnership. As a result of Award by CalMHSA. Match is based on OSHPD calculated formula for each County with SCRIP
County Match?	Yes <input checked="" type="checkbox"/> Amount_\$904,713 or _____ % No <input type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	H240W800 unit 2130
Will the grant/program create new part or full-time positions?	No
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.
<p>The Southern Counties Regional Partnership (SCRIP) is a partnership amongst 10 Southern California Counties. SCRIP exists to help promote and execute the Workforce Education and Training (WET) component of MHSA funding, which includes promotion of the expansion of postsecondary education and continued training. Orange County Behavioral Health Services has been a member of SCRIP since 2014. In May 2020, the SCRIP approved Santa Barbara County Department of Behavioral Wellness (BWell), the fiscal and administrative agent for the SCRIP, to submit an application on behalf of the SCRIP for the 6-year Office for Statewide Health Planning and Development (OSHPD) Workforce Education Training (WET) grant, a Mental Health Services Act (MHSA) fund, to fund programs that oversee training and support the Public Mental Health System (PMHS) workforce.</p>	



BWell was awarded the OSHPD WET grant for the period of February 15, 2021 through June 30, 2026, in the amount of \$15,340,829, consisting of \$11,534,457 in grant funds and per the 2019 State Budget Bill, requiring local matching fund by Regional Partnership members in the amount of \$3,806,372 to support WET plan programs. (See Attachment A – Agreement No. 20-10018.)

In January 2021, the SCRP members amended the WET SCRP MOU to reaffirm the collaborative relationship between all of the Southern California Counties, including Orange County, to conduct activities outlined in the OSHPD Regional Partnership for the period of December 2, 2014 through June 30, 2026. (See Attachment B.) The amended MOU confirms that by July 31, 2024, the SCRP members shall contribute their predetermined share of local matching (\$904,713 for Orange County) funds in accordance with the calculation stated in the OSHPD Agreement No. 20-10018. The Agreement No. 20-10018 requires documentation from a fiscal intermediary to certify the collection of local funds on behalf of the grantee in the southern region. California Mental Health Services Authority (CalMHSA), as a joint power authority on behalf of counties, acts as an administrative agent for county behavioral health departments and has the authority to act as the fiscal intermediary in accordance with the Agreement No. 20-10018. HCA will use these OSHPD WET grant funds for, residents, and future public mental health staff to support the public mental health workforce with loan assumption programs and trainings for workforce retention and the use of stipends programs and pipeline activities to recruit new public mental health workforce members.

The Health Care Agency, Behavioral Health Services (BHS) is requesting the acceptance of the grant award in the form of programming through the WET Plan components (i.e. loan assumption, stipends, trainings, conferences and recruitment) with a monetary value of \$2,425,246, and approval of the Participation Agreement with CalMHSA, for CalMHSA to receive and distribute the \$904,713 from County MHSA funding as the Orange County match funds by July 31, 2024. The distribution of the match funds is a condition of receiving the County’s allocation from the OSHPD WET RP Grant.

Board Resolution Required?

(Please attach document to eForm)

Yes

No

Deputy County Counsel Name:

(Please list the Deputy County Counsel that approved the Resolution)

Recommended Action/Special Instructions

(Please specify below)

- 1) Accept award of \$2,425,246 in the form of programming from the OSHPD WET Grant as set forth in more detail in Attachment A – Agreement No. 20-10018.
- 2) Authorize the Health Care Agency Director, or designee, to execute the Participation Agreement with CalMHSA effective on the date of execution by the parties and through July 31, 2024 for distribution of \$904,713 match funds from (specify the funding source that will this) to CalMHSA. See Attachment B – CalMHSA Participation Agreement.
- 3) Authorize the Health Care Agency Director, or Designee, to receive the grant award in the amount of \$2,425,246 and sign all necessary and support documents required to receive the grants funds
- 4) Direct the Auditor-Controller to distribute the \$904,713 in matching funds to the California Mental Health Services Authority upon the approval of the Participation Agreement referenced in Recommended Action #2.



CEO-Legislative Affairs Office Grant Authorization eForm

Attachment a

Department Contact :	List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.
Jeffrey Nagel, PhD, Behavioral Health Director Phone: 714-834-7024 E-Mail: Jnagel@ochca.com	
Name of the individual attending the Board Meeting:	List the name of the individual who will be attending the Board Meeting for this Grant Item:
Jeff Nagel	

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET**

- 1. Orange County Health Care Agency Behavioral Health Services (“Participant”) desires to participate in the Program identified below.

Name of Program: **OSHPD WET GRANT – SOUTHERN COUNTIES REGIONAL PARTNERSHIP LOCAL MATCH FUNDS**

- 2. California Mental Health Services Authority (“CalMHSA”) and Participant acknowledge that the Program will be governed by CalMHSA’s Joint Powers Agreement and its Bylaws, and by this participation agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this particular Program.

- Exhibit A Program Description and Funding
- Exhibit B General Terms and Conditions
- Exhibit C WET SCRP FY 14-26 MOU

- 3. The maximum amount payable under this Agreement is \$904,713.00.
- 4. The term of the Program is effective the date executed by the Parties through July 31, 2024 unless earlier terminated pursuant to this Participation Agreement.
- 5. Authorized Signatures:

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

SIGNATURE PAGE

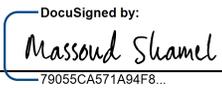
PARTICIPATION AGREEMENT BETWEEN THE COUNTY OF ORANGE AND CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS PARTICPATION AGREEMENT TO BE EFFECTIVE UPON EXECUTION BY THE PARTIES THROUGH JULY 31, 2024.

Participant:

Signed: _____ Name (Printed): _____

Title: Board of Supervisors/ CAO Date: _____

Signed:  _____ Name (Printed): Massoud Shame1

Title: County Counsel Date: 5/5/2021

Signed: _____ Name (Printed): _____

Title: Deputy Agency Director Date: _____

California Mental Health Services Authority:

Signed: _____ Name (Printed): Dr. Amie Miller, Psy.D., MFT

Title: Executive Director Date: _____

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

Participation Agreement
EXHIBIT A – PROGRAM DESCRIPTION

- I. Name of Program:** OSHPD WET GRANT – SOUTHERN COUNTIES REGIONAL PARTNERSHIP LOCAL MATCH FUNDS.
- II. Term of Program:** Begins effective the date executed by the Parties and terminates on July 31, 2024, unless earlier terminated pursuant to this Participation Agreement.

III. Program Objective and Overview:

In May 2020, the Southern Counties Regional Partnership (SCRP) members approved for Santa Barbara County Department of Behavioral Wellness (BWell), as SCRCP Fiscal and Administrative agent, to submit an Office of Statewide Health Planning and Development (OSHPD) Workforce Education and Training (WET) Regional Partnerships (RP) Grant application on behalf of the SCRCP for a 6-year grant to fund programs that oversee training and support of the Public Mental Health System (PMHS) workforce.

BWell was awarded the OSHPD WET SCRCP Agreement No. 20-10018 (Agreement) for the period of February 15, 2021 through June 30, 2026, in the amount of \$15,340,829, consisting of \$11,534,457 in grant funds and per the 2019 State Budget Bill, requiring local matching funds by RP members in the amount of \$3,806,372 to support WET Plan programs.

In January 2021, SCRCP entered into a WET SCRCP MOU First Amendment to reaffirm the collaborative relationship between all of the Southern Counties to conduct activities outlined in the OSHPD Regional Partnership for the period of December 2, 2014 through June 30, 2026. It confirms that by July 31, 2024, the SCRCP members shall contribute their predetermined share of local matching funds in the OSHPD Agreement No. 20-10018 calculation, used for allocation of funding.

The OSHPD Agreement requires documentation from a fiscal intermediary to certify the collection of local funds on behalf of the Grantee in the southern region. CalMHSA, as a joint power of authority, acts as an administrative agent for county behavioral health departments, including Orange County, to represent county state mental health programs, and has the authority to act as the fiscal intermediary in accordance with the Agreement.

Therefore, in March 2021, CalMHSA and BWell entered into a Memorandum of Understanding (MOU) No. 639-WET 2020-SR for CalMHSA to be the fiscal intermediary to execute Participation Agreements for the OSHPD WET SCRCP local matching funds, collect the funds, provide certification, and remit the matching funds to BWell to implement Workforce Education and Training (WET) activities from February 15, 2021 through June 30, 2026.

- IV. Funding:** Participant will provide their one-time predetermined payment of local matching funds no later than July 31, 2024 in the amount of \$904,713.00, in accordance with Exhibit C - WET SCRCP FY 14-26.

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

Participation Agreement
EXHIBIT B – General Terms and Conditions

I. Definitions

The following words, as used throughout this Participation Agreement, shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. CalMHSA – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association to jointly develop and fund mental health services and education programs.
- B. Mental Health Services Division (MHSD) – The Division of the California Department of Health Care Services responsible for mental health functions.
- C. Member – A County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- D. Mental Health Services Act (MHSA) – A law initially known as Proposition 63 in the November 2004 election that added sections to the Welfare and Institutions Code providing for, among other things, PEI Programs.
- E. Participant – Any County participating in the Program either as a Member of CalMHSA or under a Memorandum of Understanding with CalMHSA.
- F. Program – The program identified in the Cover Sheet.

II. Responsibilities

- A. Responsibilities of CalMHSA:
 1. Act as the Fiscal agent for the collection of the matching funds.
 2. Draft, negotiate, and execute Participation Agreements (PAs) for each contributing county.
 3. Management of funds received consistent with the requirements of any applicable laws, regulations, guidelines, and/or contractual obligations.
 4. Confirm matching funds and provide BWell and OSHPD with copies of all PAs, invoices, and required financial statements.
 5. Provide regular fiscal reports to Participant and/or other public agencies with a right to such reports.
 6. Distribute matching funds to the Southern Counties Regional representative (Santa Barbara County Department of Behavioral Wellness) per its direction.
 7. Comply with CalMHSA's Joint Powers Agreement and Bylaws.
 8. Provide a signed certification confirming that the 33 percent matching funds have been deposited in the Grantee's bank account that is authorized for Regional Partnership activities.

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

Responsibilities of Participant:

1. Transfer of full funding amount for the Program as specified in Exhibit A, Program Description and Funding.
2. Provide CalMHSA and any other parties deemed necessary with requested information and assistance in order to fulfill the purpose of the Program.
3. Cooperate by providing CalMHSA with requested information and assistance in order to fulfill the purpose of the Program.
4. Provide feedback on Program performance.
5. Responsible for any and all assessments, creation of individual case plans, and providing or arranging for services.
6. Comply with applicable laws, regulations, guidelines, contractual agreements, JPAs, and bylaws.

III. Duration, Term, and Amendment

- A. The term of the Program date executed by the Parties through July 31, 2024 unless earlier terminated pursuant to this Participation Agreement.
- B. This Agreement may be supplemented, amended, or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.

IV. Withdrawal, Cancellation, and Termination

- A. Participant may withdraw from the Program and terminate the Participation Agreement upon six (6) months' written notice. Notice shall be deemed served on the date of mailing.
- B. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expense and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation.
- C. Upon cancellation, termination, or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the Program shall be returned to Participant. Unused funds paid for a joint effort will be returned pro rata to Participant in proportion to payments made. Adjustments may be made if disproportionate benefit was conveyed on particular Participant. Excess funds at the conclusion of county-specific efforts will be returned to the particular County that paid them within thirty (30) business days of the cancellation, termination, or other conclusion of this Program.

V. Fiscal Provisions

- A. Funding required from Participant will not exceed the amount stated in Exhibit A, Program Description and Funding.
- B. Payment Terms – County shall submit payment in full within 30 days of receipt of an invoice from CalMHSA.

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

- C. In a Multi-County Program, Participants will share the costs of planning, administration, and evaluation in the same proportions as their overall contributions, which are included in the amount stated in Exhibit A, Program Description and Funding.

VI. Limitation of Liability and Indemnification

- A. CalMHSA is responsible only for funds as instructed and authorized by participants.
- B. To the fullest extent permitted by law, each party shall hold harmless, defend and indemnify the other party, including its governing board, employees and agents from and against any and all claims, losses, damages, liabilities, disallowances, recoupments, and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from other's negligence in the performance of its obligations under this Agreement including the performance of the other's subcontractors, except that each party shall have no obligation to indemnify the other for damages to the extent resulting from the negligence or willful misconduct of any indemnitee. Each party may participate in the defense of any such claim without relieving the other of any obligation hereunder.

VII. Designated Representative

Director of Behavioral Health, at phone number 714-834-7024 is the representative of County and will administer this Agreement for and on behalf of County. CalMHSA, Executive Director, Amie Miller at phone number 916-859-4818 is the authorized representative for CalMHSA. Changes in designated representatives shall be made only after advance written notice to the other party.

VIII. Notices

Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To County: Director
 County of Orange
 Orange County Health Care Agency Behavioral Health Services
 405 West 5th Street, Suite 726, 7th Floor
 Santa Ana, CA 92701
 Phone: 714-834-7024
 Fax: 715-834-5506

To Cal MHSA: Amie Miller, Executive Director
 California Mental Health Services Authority
 P.O. Box Rancho 278
 Rancho Cordova, CA 95741
 Telephone: 916-859-4818
 Fax: 916-859-4805

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

Agreement No. 742-WET-2021-OC
OSHPD WET GRANT MATCH LOCAL FUNDS– SOUTHERN COUNTIES REGION

IX. Non-Assignment.

Neither Party shall assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party and any attempt to so assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

X. Severability.

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

XI. Entire Agreement and Amendment.

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel. Requests for changes to the terms and conditions of this agreement after April 1 of the Fiscal Year for which the change would be applicable shall not be considered. All requests for changes shall be in writing. Changes shall be made by an amendment pursuant to this Section. Any amendments or modifications that do not materially change the terms of this Agreement (such as changes to the Designated Representative or Cal MHSA's address for purposes of Notice) may be approved by the Director of the Department of Behavioral Wellness. The Board of Supervisors of the County of Orange must approve all other amendments and modifications.

XII. Execution of Counterparts.

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.



Date: 4/12/2021
 Fund: 048
 Dept # / Name: 043
 Ship To Cust#: 043-00-00-0000-0
 Bill To Cust#: 043-02-01-2110-0
 Requested By: Denise Morales
 Phone: 805-681-5168
 REQ NO: CNTR0010286

COMMODITY	Item	Description	Qty	Unit	Unit Price	Extension	
	281	CalMHSA to provide independent contractor services for the provision of fiscal intermediary services of OSHPD Grant SCRIP local matching funds as described in attached MOU.		1	Lot	11,948.24	
	Contract Term: 4-6-2021 through 7-31-2024						
	Insurance attached						

SUPPLIER	Suggested Supplier (name, address, phone, fax, contact) / Comments / Special Instructions	Regulatory Compliance Statement
	CalMHSA Atten: Laura Li PO Box 22967 Sacramento, CA 95822 1(888) 210-2515 info@calmhsa.org Purchasing Supplier No.	<p align="center">Circle/Check one</p> <p>Justification: <input type="checkbox"/> Oral Quote <input checked="" type="checkbox"/> Written Quote <input type="checkbox"/> Price List <input type="checkbox"/> Web Search</p> <p>Debarred Vendor: <input checked="" type="checkbox"/> No</p> <p>Sole-Source: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>Procedure: <input checked="" type="checkbox"/> County <input type="checkbox"/> Federal</p> <p>Insurance Current: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A::</p>

FIN DATA	Fund.	Dept No	Acct No.	Amount	Program	OrgUnit	Project
	0048	043	7460	11,948.24	2990		

I hereby certify there are sufficient funds in the budget indicated for payment of the above.

Is this purchase being made with Federal Funds? Yes No

Christopher D. Shurland Digitally signed by Christopher D. Shurland
 Date: 2021.04.12 15:21:44
 D. Shurland Authorized Signature

PURCHASING ONLY	CommCode:	Order No:	Date	Time	Activity
	Bid No:	Out:	Due:		
	FOB: <input type="checkbox"/> Dest <input type="checkbox"/> Dest Prepay & Add <input type="checkbox"/> Dest Freight Collect <input type="checkbox"/> Origin <input type="checkbox"/> Origin Prepay & Add <input type="checkbox"/> Origin Freight Collect				
	Price Source:				
	Terms:	DelvDate:			
	FA Tags: Count: issued # thru #				
	Completed: Buyer Initials: Date:				



County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

April 6, 2021

Present: 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

BEHAVIORAL WELLNESS

File Reference No. 21-00260

RE: Consider recommendations regarding the California Mental Health Services Authority (CalMHSA) Memorandum of Understanding for Fiscal Intermediary Services for the Office of Statewide Health and Planning Development (OSHPD) Grant Local Matching Funds for Fiscal Year (FY) 2020-2024 and Participation Agreement for Payment of OSHPD Local Matching Funds for FY 2020-2024, as follows:

a) Approve and authorize the Chair to execute the CalMHSA Memorandum of Understanding Fiscal Intermediary Services for OSHPD Grant Local Matching Funds No. 639-WET-2020-SR to serve as the fiscal intermediary to certify the collection of local match funds from all counties of the Southern Counties Regional Partnership, in accordance with the OSHPD Agreement No. 20-10018; execute Participation Agreements for each contributing county for the collection of funds; and track, report and remit funds to the County, in the amount of \$3,806,372.00, to implement Workforce Education and Training (WET) activities, for a one-time administrative fee not to exceed \$11,948.24.00, the term of which is upon execution through July 31, 2024;

b) Approve and authorize the Chair to execute the CalMHSA Participation Agreement No. 647-WET 2020-SB for the County to submit a one-time payment, as required in OSHPD Grant Agreement No. 20-10018, of local match funds in the amount of \$130,338.00, the term of which is upon execution through July 31, 2024; and

c) Determine that the above actions are government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

A motion was made by Supervisor Williams, seconded by Supervisor Hartmann, that this matter be acted on as follows:

a) and b) **Approved and authorized; Chair to execute; and**

c) **Approved.**

The motion carried by the following vote:

Ayes: 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region

MEMORANDUM OF UNDERSTANDING
BETWEEN
COUNTY OF SANTA BARBARA DEPARTMENT OF BEHAVIORAL WELLNESS
AND
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
FOR
FISCAL INTERMEDIARY SERVICES
OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT AGREEMENT No. 20-10018
SOUTHERN COUNTIES REGIONAL PARTNERSHIP LOCAL MATCHING FUNDS

WHEREAS, California Office of Statewide Health Planning and Development (OSHPD) oversees the Mental Health Service Act (MHSA) Workforce Education and Training Programs (WET), to promote the expansion of postsecondary education and training and requires Regional Partnerships (RP) as set forth in Section 5822 of the Welfare and Institutions Code to assist the Public Mental Health system in its efforts to meet mental health workforce shortage needs;

WHEREAS, County of Santa Barbara Department of Behavioral Wellness (BWell), from December 2, 2014 through June 30, 2026, is the Fiscal and Administrative Agent for WET Southern Counties Regional Partnership (SCRIP), consisting of the following counties' public mental health departments: Imperial, Kern Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Tri-City (Claremont, La Verne, and Pomona), and Ventura;

WHEREAS, the State Budget Act of 2019 (SB109) allocated funding to OSHPD and authorized OSHPD to award grants to Workforce Education and Training ("WET") Regional Partnerships (RP) with a requirement that Regional Partnerships provide a 33 percent match;

WHEREAS, on May 13, 2020, the SCRIP members approved BWell to submit an OSHPD WET RP Grant application for a 6-year grant of \$15,340,829 to fund programs that oversee training and support the Public Mental Health System (PMHS) workforce;

WHEREAS, BWell, as SCRIP grantee, was awarded the OSHPD WET SCRIP Agreement No. 20-10018 for the period of February 15, 2021 through June 30, 2026, in the amount of \$15,340,829, consisting of grant funds of \$11,534,457 and a match by the SCRIP members in the amount of \$3,806,372;

WHEREAS, the OSHPD WET SCRIP Agreement No. 20-10018 requires documentation from a fiscal intermediary certifying the collection of local funds on behalf of the Grantee in the southern region; and

NOW, THEREFORE, this Memorandum of Understanding (MOU), effective the date of execution by County of Santa Barbara Department of Behavioral Wellness and the California Mental Health Services Authority ("CalMHSA"), a joint powers authority formed by counties pursuant to Government Code section 6500 et seq. (individually, a "Party"; collectively, the "Parties"), to provide documentation as the fiscal intermediary to certify and collect the local funds, in accordance with the OSHPD WET SCRIP Agreement No. 20-10018 as follows:

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region

A. PURPOSE AND SCOPE OF AGREEMENT

For CalMHSA to provide documentation as the fiscal intermediary to certify the collection of the 33 percent of the matching local funds on behalf of the SCRP Grantee, BWell. The signed certification must confirm that the 33 percent matching funds, as calculated below from local jurisdictions, have been deposited in the Grantee's bank account authorized for RP activities.

B. CalMHSA's Role - To include but not limited to the following:

1. Act as the Fiscal Intermediary to fulfill the OSHPD Agreement No. 20-10018 to certify the collection of local matching funds on behalf of the Grantee, BWell.
2. Draft, negotiate, and execute Participation agreements (PA) for each contributing county to include but not be limited to one-time payment to be paid in full by July 31, 2024.
3. Manage funds received consistent with the requirements of any applicable laws, regulations, guidelines, and/or contractual obligations.
4. Develop and submit to counties invoices to collect match dollars, in the amounts outlined in Table A, in accordance with the WET SCRP FY 14-2026 MOU Amendment 1 – Attachment 2.
5. Confirm matching funds, and provide BWell and OSPHD with copies of all PAs, invoices, and required financial statements.
6. Provide annual reporting by August 15 to confirm payments of the annual match for each County.
7. Provide regular fiscal reporting to the appropriate state and/or local agencies.
8. Distribute matching funds to BWell, per their direction.
9. Provide a signed certification to BWell by August 1, 2024 confirming that the 33 percent matching funds has been deposited in the Grantee's bank account authorized for RP activities.

TABLE A	
County	SCRP Total Local Matching Funds
Imperial	\$54,173
Kern	\$241,053
Orange	\$904,713
Riverside	\$603,269
San Bernardino	\$589,360
San Diego	\$919,431
San Luis Obispo	\$74,102
Santa Barbara	\$130,338
Tri-City	\$62,076
Ventura	\$227,857
TOTAL:	\$3,806,372

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region**C. BWell's Role - Administration of Grant**

BWell will administer all OSHPD grant funds and local match funds for the Southern Counties Regional Partnership, which includes, but is not limited to the following:

1. Execute a contract for administration of the Grant with OSHPD.
 - a. Administer all components as the fiscal and administrative agent for the SCRCP outlined in the OSHPD Agreement No. 20-10018.
 - b. Submit all required documentation and reports during the duration of the program to OSHPD.
2. Pay CalMHSA for providing fiscal intermediary services for this grant pursuant to this MOU.

D. BUDGET

1. CalMHSA will receive \$11,948.24 to serve as the fiscal intermediary for the matching funds for this grant upon receipt of signed certification to BWell confirming that the 33 percent matching funds has been deposited in the Grantee's bank account authorized for RP activities.

The fee will be paid by the County out of Grant Administrative Funds as specified in the OSHPD WET SCRCP Agreement No. 20-10018.

E. TERM/TERMINATION

1. The term of this MOU is upon execution by the Parties through July 31, 2024, unless terminated by either Party in accordance with Section E.2.
2. Either Party may terminate this MOU by giving at least 90 calendar days' notice to the other Party; provided, however, such termination will not be effective, and this MOU will remain in full force and effect, unless and until the Parties execute a new memorandum of understanding.
3. Either Party may request to extend this MOU by written notice. Such extension will not be effective unless and until all Parties execute an amendment to this MOU.

F. DISPUTE RESOLUTION

If, after thirty (30) calendar days of negotiations, CalMHSA and BWell, as acting Fiscal Agent for SCRCP, cannot resolve a dispute regarding the interpretation or performance of this MOU, either Party may request a meeting between CalMHSA Executive Director and BWell for the purpose of resolving the dispute. If such meeting is requested, the meeting will be held within fourteen (14) calendar days of the receipt of such request. If the meeting fails to occur or fails to resolve the dispute, the dispute will be submitted for non-binding mediation. If the mediation fails to resolve the dispute, either Party may request binding arbitration by a third party mutually agreed upon by the Administrative Director of the Judicial Council and the California State Association of Counties. Until the dispute is resolved, the Parties will continue to operate the Program as set forth in this MOU and perform and observe their respective responsibilities and rights hereunder.

G. COMPLIANCE WITH AUDITS; RECORDS RETENTION REQUIREMENTS

1. The Parties will receive, reply to, and/or comply with any audit by an appropriate government agency that directly relates to this MOU or funds to be handled or disbursed hereunder. The Parties will each maintain an accounting system and supporting fiscal records to comply with state audit requirements related to this MOU.
2. The Parties will maintain and preserve all records and documentation related to this MOU, including records related to billings and other financial records, in an accessible location and

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region

condition for a period of not less than five years after an account has been completely paid or until after an audit involving an account has been resolved, whichever is later. Each Party will adequately protect all records against fire or other damage.

H. GENERAL PROVISIONS

1. Designated Representative. Director at phone number 805-681-5220 is the representative of County and will administer this Agreement for and on behalf of County. Amie Miller, at phone number 916-859-4818 is the authorized representative for Contractor. Changes in designated representatives shall be made only after advance written notice to the other party.
2. Notices. Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To County: Director
 County of Santa Barbara
 Department of Behavioral Wellness
 300 N. San Antonio Road
 Santa Barbara, CA 93110
 FAX: 805-681-5262

To Contractor: Amie Miller, Executive Director
 PO Box 22967
 Sacramento, CA 95822
 Phone: 888-210-2515
 Fax: 916-382-0771

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

3. Entire Agreement. This MOU constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous modifications, agreements, proposals, negotiations, representations, and commitments, both oral and written, between the parties to this MOU.
4. Amendment. No addition to or alteration of the terms of this MOU will be valid unless made in the form of a written amendment, which is formally approved and executed by the governing bodies of each of the Parties, or their respective authorized designees.
5. Further Assurances. Each Party agrees to cooperate with the other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other actions as may be reasonably requested of it from time to time, in order to effectuate the provisions and purposes of this MOU.
6. Waiver. Any waiver by either Party of the terms of this MOU must be in writing and executed by an authorized representative of the waiving party and will not be construed as a waiver of any succeeding breach of the same or other term of this MOU.

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region

7. Severability. The provisions of this MOU are separate and severable. If any provision of this MOU shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby. Any such provision will be enforced to the maximum extent possible so as to affect the reasonable intent of the Parties and will be reformed without further action by the Parties to the extent necessary to make such provision valid and enforceable.
8. Risk Allocation. It is the intention of both parties that neither will be responsible for the negligent and/or intentional acts and/or omissions of the other, or its officers, directors, officers, agents, and employees. The Parties therefore disclaim in its entirety the pro rata risk allocation that could otherwise apply to this MOU pursuant to Government Code section 895.6. Instead, pursuant to Government Code section 895.4, the Parties agree to use principles of comparative fault when apportioning any and all losses that may arise out of the performance of this MOU.
9. Counterparts. This MOU may be executed in counterparts, each of which is considered an original but all of which together shall constitute one instrument.
10. Binding MOU. Each Party agrees that the terms of this MOU are valid, legally binding on, and enforceable against the other Party.

Agreement No. 639-WET-2020-SR
OSHPD WET Grant – Southern Counties Region

SIGNATURE PAGE

AGREEMENT BETWEEN THE COUNTY OF SANTA BARBARA AND CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS MEMORANDUM OF UNDERSTANDING TO BE EFFECTIVE UPON EXECUTION BY THE PARTIES.

COUNTY OF SANTA BARBARA:

Signed: *Bob Nelson* Name: Bob Nelson

Title: Chair, Board of Supervisors Date: 4/6/2021

Signed: *Alice Gleghorn* Name: Alice Gleghorn
DocuSigned by: 89F4C04AB541438...

Title: Director, Behavioral Wellness Date: 3/11/2021

ATTEST: COUNTY EXECUTIVE OFFICER CLERK OF THE BOARD

Signed: *Sheila de la Guerra* Name: Sheila de la Guerra

Title: Deputy Clerk Date: 4-6-2021

APPROVE AS TO FORM: COUNTY COUNSEL

Signed: *Bo Bae* Name: Bo Bae
DocuSigned by: CAFCD5445C0F408...

Title: Deputy County Counsel Date: 3/11/2021

APPROVE AS TO ACCOUNTING FORM: AUDITOR-CONTROLLER

Signed: *Auditor* Name: Auditor
DocuSigned by: B9D7C9FF7A414AE...

Title: Deputy Date: 3/11/2021

APPROVE AS TO INSURANCE FORM: RISK MANAGEMENT

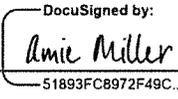
Signed: *Ray Aromatorio* Name: Ray Aromatorio
DocuSigned by: U3DB8526E16F47F...

Title: Risk Manager Date: 3/11/2021

Agreement No. 639-WET-2020-SR
OSHDP WET Grant – Southern Counties Region

CONTRACTOR: California Mental Health Services Authority

CALMHSA

Signed:  Name: Dr. Amie Miller

Title: Executive Director Date: 3/11/2021

Address: P.O. Box 22967 Sacramento, CA 95822

Phone: (888) 210-2515 Email: amie.miller@calmhsa.org



**CEO-Legislative Affairs Office
Grant Authorization eForm**

Attachment A

GRANT APPLICATION / **GRANT AWARD**

Today's Date:	May 12, 2021														
Requesting Agency/Department:	Sheriff-Coroner Department														
Grant Name and Project Title:	FY 2021 DNA Capacity Enhancement for Backlog Reduction (CEBR) Program (Formula)														
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance														
Application Amount Requested:	\$500,000 (projected amount)														
Application Due Date:	June 22, 2021														
Board Date when Board Approved this Application:															
Awarded Funding Amount:	TBD														
Notification Date of Funding Award:	TBD														
Is this an Authorized Retroactive Grant Application/Award? No <small>(If yes, attach memo to CEO)</small>															
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input checked="" type="checkbox"/> Other <input type="checkbox"/> Explain:														
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>\$405,643</td> </tr> <tr> <td>2019</td> <td>\$391,936</td> </tr> <tr> <td>2018</td> <td>\$531,869</td> </tr> <tr> <td>2017</td> <td>\$293,808</td> </tr> <tr> <td>2016</td> <td>\$282,734</td> </tr> <tr> <td>2015</td> <td>\$358,919</td> </tr> </tbody> </table>	Year	Amount	2020	\$405,643	2019	\$391,936	2018	\$531,869	2017	\$293,808	2016	\$282,734	2015	\$358,919
Year	Amount														
2020	\$405,643														
2019	\$391,936														
2018	\$531,869														
2017	\$293,808														
2016	\$282,734														
2015	\$358,919														
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>														
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: Program Grant														
County Match?	Yes <input type="checkbox"/> 0% No <input checked="" type="checkbox"/>														
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A														
Will the grant/program create new part or full-time positions?	N/A														
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors why should accept this grant application/award, and how the grant will be implemented.														
<p>BJA's FY 2021 DNA Capacity Enhancement for Backlog Reduction (CEBR) Program provides funding to States and units of local government with existing crime laboratories to increase the capacity of publicly funded forensic DNA and DNA database laboratories and to process more DNA samples. This program reduces the backlog of forensic and database DNA samples. The Sheriff-Coroner has applied for this competitive program since 2004. In 2020, this CEBR grant was transferred to the Bureau of Justice Assistance from the National Institute of Justice Program catalog.</p> <p>This grant provides both formula and discretionary allocations aimed at reducing evidence backlogs and improve the quality and timeliness of forensic science and medical examiner services. Awarded agencies may utilize funds to hire additional full-time or part-time laboratory employees to directly perform capacity</p>															



**CEO-Legislative Affairs Office
Grant Authorization eForm**

enhancement-specific activities, such as validating new DNA analysis technologies for the forensic DNA laboratory and/or the laboratory responsible for analysis of DNA database samples. Matching funds are not required.

The Sheriff-Coroner Department plans to fund overtime to process backlogged DNA casework at the Orange County Crime Laboratory, continuing education for the DNA analysts, purchase microscopes and upgrade computer equipment.

A successful award will require the Sheriff-Coroner to return to the Board of Supervisors to accept this grant funding.

<p>Board Resolution Required? (Please attach document to eForm)</p> <p>Deputy County Counsel Name: (Please list the Deputy County Counsel that approved the Resolution)</p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>
---	---

Recommended Action/Special Instructions
(Please specify below)

Authorize the Sheriff-Coroner, or designee, to sign all necessary application documents required for the submission of the application and supporting documentation to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance.

Nicole Sims, Supervising Deputy County Counsel, has reviewed and approved the application.

<p>Department Contact :</p>	<p>List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.</p>
------------------------------------	---

Director Bruce Houlihan, Orange County Crime Lab (714) 834-6380 bth@occl.ocgov.com

<p>Name of the individual attending the Board Meeting:</p>	<p>List the name of the individual who will be attending the Board Meeting for this Grant Item:</p>
---	---

Director Bruce Houlihan or designee



**CEO-Legislative Affairs Office
Grant Authorization eForm**

GRANT APPLICATION / GRANT AWARD

Today's Date:	May 14, 2021
Requesting Agency/Department:	District Attorney
Grant Name and Project Title:	Victim Compensation Program
Sponsoring Organization/Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	California Victim Compensation Board (CalVCB)
Application Amount Requested:	NA
Application Due Date:	NA
Board Date when Board Approved this Application:	Grant application not required.
Awarded Funding Amount:	\$1,657,525.13 for 3-year from July 1, 2021 to June 30, 2024. (\$552,508.41 per year)
Notification Date of Funding Award:	May 6, 2021
Is this an Authorized Retroactive Grant Application/Award? <small>(If yes, attach memo to CEO)</small>	
Recurrence of Grant	New <input type="checkbox"/> Recurrent <input checked="" type="checkbox"/> Other <input type="checkbox"/> Explain:
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	\$1,605,549 was awarded in FY18-19 for 3-year period, effective July 1, 2018 to June 30, 2021.
Does this grant require CEQA findings?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
What Type of Grant is this?	Competitive <input type="checkbox"/> Other Type <input checked="" type="checkbox"/> Explain: Mandated
County Match?	Yes <input type="checkbox"/> Amount _____ or _____ % No <input checked="" type="checkbox"/>
How will the County Match be Fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No new position is required.
Purpose of Grant Funds:	Provide a summary and brief background of why Board of Supervisors should accept this grant application/award, and how the grant will be implemented.
<p>The Victim Compensation Program is funded through the State's Restitution fund administered by the California Victim Compensation Board. It is designed to review and process eligible claims filed by crime victims for the unreimbursed financial losses.</p> <p>The Orange County District Attorney (OCDA) was awarded \$1,657,525.23 in FY21-22, which covers a 3-year period from July 1, 2021 to June 30, 2024. The OCDA requests authorization to sign and execute the attached Standard Agreement No. S21-012. Grant funds will be utilized to support a specialized team within the Waymakers Supportive Solutions. The team consists of 1 supervisor, 3 claim specialists, and 2 office specialists to assist victims of crimes.</p>	
Board Resolution Required? <small>(Please attach document to eForm)</small>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Deputy County Counsel Name: <small>(Please list the Deputy County Counsel that approved the Resolution)</small>	James Harman, Deputy County Counsel



CEO-Legislative Affairs Office Grant Authorization eForm

Recommended Action/Special Instructions (Please specify below)	
1. Authorize the District Attorney, or his designee, to sign and execute, on behalf of the County of Orange, the attached Standard Agreement No. S21-012 with CalVCB, which covers a 3-year period from July 1, 2021 to June 30, 2024, in the amount of \$1,657,525.23	
2. Authorize the District Attorney, or his designee, to execute, on behalf of the County of Orange, any extensions or amendments that reflect the actual grant award but do not materially alter the terms of the grant award.	
3. Adopt the resolution to receive funds for the Victim's Compensation Program.	
Department Contact :	List the name and contact information (telephone, e-mail) of the staff person to be contacted for further information.
Glenn Robison (714) 347-8778 glenn.robison@da.ocgov.com	
Name of the individual attending the Board Meeting:	List the name of the individual who will be attending the Board Meeting for this Grant Item:
Glenn Robison	

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA

May 25, 2021

WHEREAS, the Orange County District Attorney (OCDA) desires to continue to administer “Victim Compensation Program” to be funded from funds made available through the California Victim Compensation Board (hereafter referred to as CalVCB) administered State Restitution Fund .

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. Find that the proposed project is exempt from CEQA pursuant to 14 C.C.R. 15061(b) (3) because it does not impose a significant effect on the environment.
2. Find that pursuant to Section 711.4 of the California Fish and Game Code, the proposed project is exempt from the required fees as it has been determined that no adverse impacts to wildlife resources will result from the project.
3. Authorize the District Attorney, or his designee, to sign and execute, on behalf of the County of Orange, the attached Standard Agreement No. S21-012 with CalVCB, which covers a 3-year period from July 1, 2021 to June 30, 2024, in the amount of \$1,657,525.23.
4. Authorize the District Attorney, or his designee, to execute, on behalf of the County of Orange, any extensions or amendments that reflect the actual grant award but do not materially alter the terms of the grant award.
5. Assure that the County of Orange assumes any liability arising out of the performance of this Standard Agreement, including civil court actions for damages.

6. Agree that the State of California and CalVCB disclaim responsibility for any such liability.
7. Assure that the County of Orange will not use grant funds to supplant expenditures controlled by the Board of Supervisors.



County Executive Office

S84A

Memorandum

RECEIVED

2021 MAY 13 PM 2:23

CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

May 13, 2021

To: Clerk of the Board of Supervisors
From: Frank Kim, County Executive Officer
Subject: Exception to Rule 21

Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County of
Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2021.05.13 11:25:02 -0700

The County Executive Office is requesting a Supplemental Agenda Staff Report for the May 25, 2021, Board Hearing.

Agency: OC Waste & Recycling
Subject: Approve Exclusive Franchise Agreements
Districts: All Districts

Reason for supplemental: This item must be heard on May 25, 2021, in order to ensure adequate time to execute the new agreements prior to the current agreements' expiration dates of June 30, 2021. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:

Andrew Do, Chairman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

RECEIVED
2021 MAY 13 PM 2:23
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

MEETING DATE: 05/25/21
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: OC Waste & Recycling
DEPARTMENT HEAD REVIEW: *Thomas Koutroulis*
Department Head Signature
DEPARTMENT CONTACT PERSON(S): Tom Koutroulis (714)834-4122
Lisa Smith (714)834-4357

SUBJECT: Approve Exclusive Franchise Agreements

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
<i>Frank Kim</i> <small>Digitally signed by Frank Kim DN: cn=Frank Kim, ou=County of Orange, ou=CEO, email=frank.kim@ocgov.com, c=US Date: 2021.05.13 11:24:39 -0700</small>	<i>Approved for Form</i> <i>PK</i> <i>Action</i>	Discussion 3 Votes Board Majority
_____ <i>CEO Signature</i>	_____ <i>County Counsel Signature</i>	

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** No

Current Fiscal Year Revenue: N/A

Funding Source: N/A **County Audit in last 3 years:** No

Prior Board Action: 6/23/2020 #19, 12/08/2009 #48, 02/27/2007 #21, 12/19/2006 #30

RECOMMENDED ACTION(S):

- Find that the project is categorically exempt from CEQA, Class 1 (Existing Facilities) and Class 8 (Actions by Regulatory Agencies for Protection of the Environment), pursuant to CEQA Guidelines Section 15301 and Section 15308.
- Select recommended proposers to provide Exclusive Discarded Material Management in the County's eleven exclusive Franchise Areas.
- Approve and authorize the OC Waste & Recycling Director or designee to execute the Exclusive Franchise Agreements.

SUMMARY:

Approval of the Exclusive Franchise Agreements will provide discarded materials management services for residents and businesses, within the nine Franchise Areas located throughout unincorporated areas of Orange County, allowing OC Waste & Recycling to maintain compliance with state regulations and stabilize rates for residents and businesses in the unincorporated areas.

BACKGROUND INFORMATION:

As the responsible entity for managing Orange County's solid waste disposal system that is currently comprised of three active regional landfill operations, 20 closed solid waste disposal sites and four Household Hazardous Waste Collection Centers, OC Waste & Recycling (OCWR) is required to comply with legislation including, but not limited to, The California Integrated Waste Management Act of 1989 (AB 939), which mandated that cities and counties reduce the amount of waste disposed in landfills by 50 percent by the year 2000 or potentially incur fines of up to \$10,000 per day.

In September 2016, Senate Bill (SB) 1383 (Lara, Chapter 395, Statutes of 2016) was signed into law, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. SB 1383 establishes targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. It also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. Jurisdiction's across the state must implement several new programs, increase education and outreach, enact enforcement mechanisms and make several changes to the way discarded materials are handled in order to comply with the Regulations of SB 1383. If a jurisdiction fails to comply with these provisions, CalRecycle will begin enforcement action and penalties beginning in 2022.

OCWR has administered the Exclusive Franchise Agreements with four haulers. The Exclusive Franchise Agreements provide ongoing commercial and residential discarded material management services.

The initial Exclusive Franchise Agreements were approved by the Board of Supervisors (Board) on December 15, 1998, each for a 10-year term. On December 19, 2006, the Board extended the Franchise Agreements for three years, effective July 1, 2007, through June 30, 2010, with the exception of Franchise Area 5. The Board divided this area into two parts: CA-1 (Orange Park Acres and the Canyons) and CA-2 (El Modena). El Modena was assigned to Waste Disposal as approved by the Board on February 27, 2007. OCWR issued a Request for Proposal (RFP) for Orange Park Acres and the Canyons and Waste Management was awarded the assignment, effective June 26, 2007, through June 30, 2010. On December 8, 2009, the Board approved a 10-year extension for the Exclusive and Non-Exclusive Franchise Agreements, effective July 1, 2010, through June 30, 2020. On June 23, 2020 the Board approved a one-year extension to the Agreements, effective July 1, 2020 through June 30, 2021.

An RFP for the new Exclusive Franchise Agreements was released on BidSync on February 1, 2021. The RFP closed on March 12, 2021. Six bids were received. All six bids were responsive. A panel of five industry experts reviewed and scored the proposals and scored each one based on previously established scoring criteria. A Final Report that summarizes the bids, scoring criteria, and the scoring results, is included as Attachment A. As shown in the summary, each of the recommended first place proposers are the

incumbent for that area, except for Franchise Area 5 CA-2 where the recommended proposal is not the current contract hauler.

OCWR recommends to award the Exclusive Franchise Agreements to the following companies:

Area	Company
Franchise Area 1	CR&R Incorporated (CR&R)
Franchise Area 2	Republic Waste Services of Southern California, LLC. (Republic Waste Services)
Franchise Area 3	CR&R, Inc.
Franchise Area 4	Rainbow Disposal Co., Inc
Franchise Area 5 CA-1	Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (Waste Management)
Franchise Area 5 CA-2	CR&R
Franchise Area 6	Waste Management
Franchise Area 7A	Rainbow Disposal Co., Inc
Franchise Area 7B	Waste Management
Franchise Area 8	Waste Management
Franchise Area 9	CR&R

Approval of the Exclusive Franchise Agreements will allow services to continue uninterrupted for the Franchise Areas located in the unincorporated parts of Orange County. The terms of these Agreements will ensure the County's compliance with state legislation and regulations created by Senate Bill (SB) 1383 (Lara, Chapter 395, Statutes of 2016) which was signed into law in September 2016. SB1383 established methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) in various sectors of California's economy. SB 1383 identified targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. It also provided an additional target that not less than 20 percent of currently disposed edible food be recovered for human consumption by 2025. Jurisdiction's across the state must implement several new programs, increase education and outreach, enact enforcement mechanisms, and make several changes to the way discarded materials are handled in order to comply with the Regulations of SB 1383. If a jurisdiction fails to comply with these provision CalRecycle will begin enforcement action and penalties beginning in 2022. Orange County's unincorporated areas are not exempt from these requirements and these new contracts include key programs to meet the SB1383 mandates.

Compliance with CEQA:

The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures and facilities and involves negligible or no expansion of existing or former use beyond that existing at the time of the lead agency's determination. The proposed project is also Categorical Exempt (Class 8) from the provisions of CEQA pursuant to Section 15308, because it consists of actions taken by a public agency, as authorized by state or local ordinance, for protection of the environment. The approval of the Exclusive Franchise Agreements will allow for the continuation of waste management services for County unincorporated areas, which is consistent with a Class 1 and Class 8 Categorical Exemption determination.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

- Attachment A – Request for Proposals Summary
- Attachment B – Franchise Agreement – Area 1 – CR&R
- Attachment C – Franchise Agreement – Area 2 – Republic Services
- Attachment D – Franchise Agreement – Area 3 – CR&R
- Attachment E – Franchise Agreement – Area 4 – Republic Services
- Attachment F – Franchise Agreement – Area 5 CA-1 – Waste Management
- Attachment G – Franchise Agreement – Area 5 CA-2 – CR&R
- Attachment H – Franchise Agreement – Area 6 – Waste Management
- Attachment I – Franchise Agreement – Area 7A – Republic Services
- Attachment J – Franchise Agreement – Area 7B – Waste Management
- Attachment K – Franchise Agreement – Area 8 – Waste Management
- Attachment L – Franchise Agreement – Area 9 – CR&R



EXCLUSIVE COLLECTION AND HANDLING OF DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL GENERATORS IN THE
COUNTY OF ORANGE - UNINCORPORATED AREAS

Bid #2101-001
Summary & Final Report
Released February 1, 2021
Closed March 12, 2021

TABLE OF CONTENTS

OVERVIEW	02
RFP SUMMARY AND GOALS	02
BACKGROUND & HISTORY	02
LEGISLATIVE IMPACT	03
SERVICE AREAS	04
PROPOSALS RECEIVED	05
SUMMARY OF PROPOSALS.....	05
PARTICIPATING PROPOSERS.....	06
RATES, COSTS, AND REVENUE.....	08
RESIDENTIAL SERVICE RATES	08
COMMERCIAL SERVICE & ORGANICS RATES.....	09
MANURE SERVICE RATES.....	09
OTHER RATES	10
DIVERSION RATES	11
ESTIMATED FIRST YEAR REVENUE	11
SUPPORTING COST.....	12
EXCEPTIONS TO THE CONTRACT	13
LOGISTICS AND OPERATIONS	14
FACILITY DESCRIPTION.....	14
IMPLEMENTATION, COMPLIANCE, OUTREACH, AND EMPLOYMENT PLANS.....	16
CUSTOMER SERVICE.....	19
CARTS & VEHICLES.....	19
SAFETY	20
EVALUATION PROCESS	21
SCORING RUBRIC	21
SUMMARY OF EVALUATIONS	22
PROPOSER'S TOTAL SCORES	22
FINDINGS	23
RESULTS AND ANALYSIS.....	23
HIGHEST RATED PROPOSER	23
FULL PROPOSER RANKING.....	24
ATTACHMENTS	25
ATTACHMENT 1- DETAILED RATE SUMMARY (PREPARED BY HF&H, INC.)	A-1
ATTACHMENT 2- DETAILED SCORING RESULTS	A-2
ATTACHMENT 3- DETAILED SUPPORTING COSTS FROM EACH PROPOSER'S BID.....	A-3

OVERVIEW

The County of Orange (County) requested proposals from qualified solid waste companies to provide discarded materials management services which includes discarded material collection, transportation, recycling, processing, and disposal services for the County of Orange Unincorporated Areas. The successful bidders will be granted Exclusive Franchise Agreements for the County Unincorporated Areas. The Collection and Handling of Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators in the County of Orange – Unincorporated Area (Excepting those served by a Sanitary District) are managed through Exclusive Franchise Agreements administered and overseen by OC Waste & Recycling (OCWR).

RFP SUMMARY

EXCLUSIVE COLLECTION & HANDLING OF DISCARDED MATERIALS FOR THE ORANGE UNINCORPORATED AREAS

Released	February 1, 2021 via BidSync/PeriScope: Bid #2101-001
Closed	March 12, 2021 @ 5:00pm
Proposals Received	Six (6) proposals received
Contract Award	Board of Supervisor Meeting May 25, 2021
Start of Service	July 1, 2021

RFP GOALS

To safely provide the highest quality services at a competitive rate while ensuring the County and its residents and businesses are in compliance with various state laws and regulations.

BACKGROUND AND HISTORY

The original Exclusive Franchise Agreements were approved by the Board of Supervisors (Board) on December 15, 1998, for a ten-year term. On December 19, 2006, the Board extended the Franchise Agreements for three-years, effective July 1, 2007, through June 30, 2010, with the exception of Franchise Area 5. The Board divided this Area into two parts, CA-1 and CA-2. CA-2 (El Modena) was assigned to Waste Disposal and approved by the Board on February 27, 2007. OCWR issued a Request for Proposal (RFP) for CA-1 (Orange Park Acres and the Canyons) and Waste Management was awarded the Exclusive Franchise Agreement, effective June 26, 2007, through June 30, 2010. On December 9, 2009, the Board approved a ten-year extension for the Exclusive Franchise Agreements, effective July 1, 2010, through June 30, 2020. On June 23, 2020 the Board approved a one-year extension to the agreements, effective July 1, 2020 through June 30, 2021.

Over the past several years the State of California has enacted numerous pieces of legislation targeting the waste and recycling industry. Several of these laws have required additional services, reporting, tracking, education, and enforcement. In order to comply with these laws, it is vital for the County to update the Franchise Agreements. The new agreements have been updated to ensure the County maintains compliance with all new and future legislative mandates. These mandates include extensive organic recycling programs and edible food recovery programs. These mandates are costly to implement and have not been funded by the State. This results in many residents and businesses across the state seeing large increases in their trash collection rates. By conducting a competitive bid for these

services Orange County residents and businesses can be assured that they are receiving a competitive price for the expanded and state mandated services they are receiving.

The Orange County Code of Ordinances (OCCO) Title 4, Division 3, Article 2. – Solid Waste Management regulates the issuance of the Exclusive Franchise Agreements in Orange County. Section 4-3-56. – Solid waste franchise areas states that the Unincorporated Areas of the County shall be split into Franchise Areas and those Franchise Areas shall be serviced on an exclusive basis.

A Request for Proposals (RFP) was released on BidSync on February 1, 2021. The RFP requested bids for the Exclusive Franchise Agreements. The Exclusive Franchise Agreements grant companies exclusive rights to provide “The Collection and Handling of Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators in the County of Orange – Unincorporated Area” (Excepting those served by a Sanitary District). The RFP closed on March 12, 2021 and six (6) companies placed bids. All six bids were responsive. A panel of five industry experts reviewed and scored the proposals.

LEGISLATIVE IMPACT

Over the past several years California has passed numerous pieces of legislation aimed at reducing the amount of material disposed of across the state. While these laws have good intentions, they have not been adequately funded by the state and thus require the rate payers to absorb the increased costs incurred by these mandates.

SB 1383

In September 2016, Senate Bill (SB) 1383 (Lara, Chapter 395, Statutes of 2016) was signed into law, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) in various sectors of California’s economy. SB 1383 establishes targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. It also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. Jurisdiction’s across the state must implement several new programs, increase education and outreach, enact enforcement mechanisms, and make several changes to the way discarded materials are handled in order to comply with the Regulations of SB 1383. If a jurisdiction fails to comply with these provision CalRecycle will begin enforcement action and penalties beginning in 2022.

AB 1594

In September 2014, Assembly Bill (AB) 1594 (Williams, Chapter 719, Statutes of 2014) mandated that as of January 1, 2020, the use of green material as alternative daily cover (ADC) will no longer constitute diversion through recycling and will instead be considered disposal in terms of measuring a jurisdiction’s annual 50 percent per capita disposal rate. Prior to January 1, 2020, Orange County landfills accepted Processed Green Material (PGM) from haulers across the County, including the Exclusive Franchise Haulers for the Unincorporated Areas, for no charge. Since January 1, 2020 the Orange County landfills have no longer accepted this material and that material must now be composted or sent to an Anaerobic Digester. While OCWR is developing composting facilities at the three landfills in Orange County, there is a significant cost to the construction and operation of these facilities.

SERVICE AREAS

The County has nine (9) Franchise Areas (Areas) which are currently serviced by four companies. Two of the Franchise Areas are split into two – Area 5 and Area 7. This results in eleven (11) different Areas for which proposals were sought.

FRANCHISE AREA:	DESCRIPTION OF SERVICE AREA:
FA 1	Rossmoor
FA 2	Placentia Island (Hamer Island), Yorba Linda Islands (Country Club and Fairlynn), Buena Park Island (Andora/Fairhope)
FA 3	Orange Islands (Lincoln/Glassell and Olive Heights)
FA 4	Fountain Valley Island (North Island)
FA 5 CA-1	Orange Park Acres, The Canyons (Modjeska and Silverado)
FA 5 CA-2	El Modena Islands
FA 6	North Tustin (Cowan Heights and Lemon Heights) and James A. Musick Facility
FA 7A	John Wayne Airport (JWA)
FA 7B	Emerald Bay and Laguna Coast Wilderness Park
FA 8	Coto De Caza, Ladera Ranch, Trabuco Canyon, and Las Flores
FA 9	Rancho Mission Viejo (Including Sendero), San Juan Capistrano Unincorporated Area

PROPOSALS RECEIVED

The RFP is for all residential and commercial services in all unincorporated areas of Orange County, excluding areas in a Sanitary/Sanitation District which provides discarded material management. Proposals were received from six (6) companies who met the minimum qualifications and submitted all required documentation. Proposers were allowed to bid on any combination of Franchise Areas. Each Franchise Area was evaluated individually. Each incumbent hauler bid on their current service area(s).

The following is an alphabetical list of the proposers, and a table of which franchise areas each proposer bid on. A full description of all participating proposers follows in the next section.

AR:	American Reclamation	UWS:	Universal Waste System
CRR:	CR&R, Incorporated	WARE:	Ware Disposal
RS:	Republic Services	WM:	Waste Management

SUMMARY OF PROPOSALS

Bids from incumbent haulers are noted with a bolded checkmark .

Bids submitted = ✓. No bid submitted = ✗.

PROPOSALS: BIDS RECEIVED		AR	CR&R	RS	UWS	WARE	WM
<i>TOTAL BIDS</i>		11 BIDS	11 BIDS	6 BIDS	3 BIDS	11 BIDS	4 BIDS
FA 1	5 BIDS	✓	<input checked="" type="checkbox"/>	✓	✓	✓	✗
FA 2	4 BIDS	✓	✓	<input checked="" type="checkbox"/>	✗	✓	✗
FA 3	4 BIDS	✓	<input checked="" type="checkbox"/>	✓	✗	✓	✗
FA 4	4 BIDS	✓	✓	<input checked="" type="checkbox"/>	✗	✓	✗
FA 5 CA-1	4 BIDS	✓	✓	✗	✗	✓	<input checked="" type="checkbox"/>
FA 5 CA-2	4 BIDS	✓	✓	✓	✗	<input checked="" type="checkbox"/>	✗
FA 6	5 BIDS	✓	✓	✗	✓	✓	<input checked="" type="checkbox"/>
FA 7A	5 BIDS	✓	✓	<input checked="" type="checkbox"/>	✓	✓	✗
FA 7B	4 BIDS	✓	✓	✗	✗	✓	<input checked="" type="checkbox"/>
FA 8	4 BIDS	✓	✓	✗	✗	✓	<input checked="" type="checkbox"/>
FA 9	3 BIDS	✓	<input checked="" type="checkbox"/>	✗	✗	✓	✗

PARTICIPATING PROPOSERS

AMERICAN RECLAMATION (AR)

American Reclamation bid on all eleven (11) Franchise Areas. They do not currently provide services to any of the Franchise Service Areas. American Reclamation has been providing solid waste management through the collection and processing of refuse, recycling and organics from municipalities, high-clearance airports, government entities, school districts, and colleges in the Southern California Region for over 30 years and three generations of the Gasparian family. American Reclamation has a Corporate Guarantor: Urbaser S.A., based in Madrid, Spain with local headquarters in Walnut Creek, California. American Reclamation has local headquarters in Los Angeles, California.

CR&R INCORPORATED (CR&R)

CR&R bid on all eleven (11) Franchise Service Areas, three (3) of which they are the incumbent provider. CR&R is a local, family-owned corporation and has been a provider of solid waste management services for over 56 years. CR&R provides solid waste collection and material recovery services in the Southern California counties of Orange, Los Angeles, Riverside, Imperial, San Bernardino, and Imperial. CR&R is the only producer of RNG in California and has the only commercial interconnect to the So Cal Gas pipeline. CR&R registered as a California corporation in October 1963, and the Ronnenberg Family owns 100% of the stock of the company. CR&R Incorporated has a local headquarters in Stanton, California.

REPUBLIC SERVICES (RS)

Republic Services (Republic) bid on six (6) Franchise Service Areas, three (3) of which they are the incumbent provider. The company dates to the early 1990s when Republic was formed to consolidate several waste companies. Republic Waste Services of Southern California, LLC and Rainbow Disposal Co., Incorporated dba Republic Services is the proposer responding to this RFP. For over 70 years, Republic Services has partnered with municipalities, residents, and businesses in Southern California to provide solid waste, recycling, organics, and bulky item collection and processing services. As the exclusive waste services provider of 26 franchise agreements across Orange and Los Angeles Counties, Republic is one of the Southern California's largest service providers. Republic employs over 800 employees within the local area. Republic Services has corporate headquarters in Phoenix, Arizona. Republic Services has a local headquarters in Anaheim, California.

UNIVERSAL WASTE SYSTEM, INCORPORATED (UWS)

Universal Waste System (UWS) bid on three (3) Franchise Service Areas. They do not currently provide services to any of the Franchise Areas. President, founder, and majority owner Mark Blackburn and family have been in the waste industry for over 46 years. UWS is contracted to provide solid waste, recycling, and green waste service to residential, commercial and industrial customers in Southern California, Arizona, and New Mexico. UWS has been servicing Los Angeles County since 1986. UWS is one of the largest locally family owned and operated waste management company in Los Angeles County. Universal Waste System has local headquarters in Santa Fe Springs, California, with an Orange County Division based in Costa Mesa, California.

WARE DISPOSAL, INCORPORATED (WARE)

Ware Disposal (Ware) is bidding on all (eleven) 11 Franchise Service Areas, one (1) of which they are the incumbent provider. Ware Disposal is a family-owned and operated, local refuse and recycling company established in 1968. Ware is proudly a certified woman-owned business enterprise. Ware currently operate in dozens of communities within five (5) counties in Southern California. Ware provides comprehensive solid waste and recycling services, including but not limited to: recycling, processing, marketing, construction and demolition debris, food waste, organics, and recyclables. Ware Disposal has converted nearly all their fleet of 75 vehicles to clean fuel natural gas. Ware Disposal has local headquarters in Santa Ana, California.

WASTE MANAGEMENT OF ORANGE COUNTY (WM)

Waste Management (WM) is bidding on four (4) Franchise Service Areas, all four (4) of which they are the incumbent provider. Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County was incorporated in September 1969 and has been doing business under this name for over 51 years. Waste Management and its affiliates have provided residential and customer services for businesses and multifamily establishments to over 100 jurisdictions in Southern California over the last 40+ years. Waste Management of Orange County is the proposer responding to this RFP. Waste Management of Orange County serves residential customers and commercial customers in nine cities and several unincorporated regions of Orange County. WM also operates two transfer stations located in Orange and Irvine. Waste Management has corporate headquarters in Houston, Texas with local headquarters in Santa Ana, California.

RATES, COSTS AND REVENUES

The summary of rates and costs below includes the current rate for FY 20/21 as well as what the rates would be for FY 21/22 using the terms of the current agreements, and each bidder's proposed rates. Not all proposed rates are included below. The most common rates have been included. Additional analysis and summaries can be found in Attachment 1, prepared by HF&H Consultants.

AR: American Reclamation
 CRR: CR&R, Incorporated
 RS: Republic Services

UWS: Universal Waste System
 WARE: Ware Disposal
 WM: Waste Management

RESIDENTIAL SERVICE RATES

Residential service rates proposed are based on the monthly fee for Single-Family Generators standard set of refuse, recycling, and organic carts.

AREA	FY 20/21	FY 21/22	AR	CRR	RS	UWS	WARE	WM
FA1	\$19.23	\$19.40	\$21.21	\$20.95	\$26.78	\$23.73	\$19.34	
FA2	\$22.93	\$23.14	\$29.00	\$28.99	\$25.98		\$18.74	
FA3	\$18.08	\$18.24	\$17.89	\$19.99	\$26.32		\$18.74	
FA4								
FA5-CA1	\$17.74	\$17.90	\$38.10	\$23.99			\$26.98	\$21.95
FA5-CA2	\$17.74	\$17.90	\$27.61	\$19.99	\$26.32		\$18.54	
FA6	\$17.74	\$17.90	\$17.83	\$29.99		\$29.49	\$18.34	\$26.65
FA7A								
FA7B *	\$17.74	\$17.90	\$17.95	\$38.99			\$21.95	\$36.50
FA8	\$17.74	\$17.90	\$18.15	\$18.64			\$21.23	\$26.65
FA9	\$17.74	\$17.90	\$18.02	\$17.75			\$18.64	

* FA 7B rates noted in this table are for once a week pick up service (123 billing units) for comparison to other similar basic residential rates noted, however most residents in Franchise Area 7-B receive twice a week service (171 billing units) or twice a week with walk-in service (198 billing units). These services have different rates noted in the 'Other Rates' table below.

COMMERCIAL TRASH SERVICE RATES

Commercial service rates proposed are based on 3 cubic yard bins for trash, 1x/week pick up.

AREA	FY 20/21	FY 21/22	AR	CRR	RS	UWS	WARE	WM
FA1	\$127.72	\$128.87	\$107.92	\$162.47	\$185.19	\$153.26	\$116.00	
FA2	\$127.72	\$128.87	\$102.54	\$162.47	\$184.33		\$116.00	
FA3	\$127.72	\$128.87	\$100.67	\$162.47	\$184.56		\$116.00	
FA4	\$127.72	\$128.87	\$117.99	\$162.47	\$191.58		\$116.00	
FA5-CA1	\$196.92	\$198.69	\$128.65	\$162.47			\$129.00	\$196.00
FA5-CA2	\$131.26	\$132.44	\$100.67	\$162.47	\$184.56		\$129.00	
FA6	\$127.72	\$128.87	\$100.67	\$162.47		\$153.26	\$134.00	\$169.00
FA7A	\$127.72	\$128.87	\$100.67	\$162.47	\$194.46	\$153.26	N/A	
FA7B	\$127.72	\$128.87	\$114.56	\$162.47			\$116.00	\$205.00
FA8	\$127.72	\$128.87	\$102.00	\$162.47			\$116.00	\$188.00
FA9	\$127.72	\$128.87	\$102.00	\$162.47			\$108.00	

COMMERCIAL ORGANICS SERVICE RATES

Organics service rates proposed are based on 2 cubic yard bins, 1x/week pick up.

AREA	AR	CRR	RS	UWS	WARE	WM
FA1	\$111.58	\$288.24	\$175.19	\$219.00	\$129.00	
FA2	\$116.91	\$288.24	\$147.96		\$129.00	
FA3	\$99.59	\$288.24	\$143.65		\$129.00	
FA4	\$108.25	\$288.24	\$159.88		\$129.00	
FA5-CA1	\$134.23	\$288.24			\$129.00	\$255.00
FA5-CA2	\$99.59	\$288.24	\$143.65		\$129.00	
FA6	\$99.59	\$288.24		\$219.00	\$129.00	\$255.00
FA7A	N/A	N/A	N/A	N/A	N/A	
FA7B	\$99.59	\$288.24			\$129.00	\$255.00
FA8	\$95.00	\$288.24			\$129.00	\$255.00
FA9	\$95.00	\$288.24			\$129.00	

Commercial Recycling is provided to businesses at no-cost.

MANURE SERVICE RATES

Manure service rates proposed are based on 1x/week pick up: container sizes ranging from 64 gallon to 2 cubic yard bins. Manure services are available for FA 5-CA1, FA 8, and FA9.

AREA	AR	CRR	RS	UWS	WARE	WM
FA5-CA1	64 gallon \$55.80	2 cubic yards \$193.31			2 cubic yards \$185.00	2 cubic yards \$285.00
FA8	64 gallon \$55.80	2 cubic yards \$193.31			2 cubic yards \$185.00	2 cubic yards \$285.00
FA9	64 gallon \$55.80	2 cubic yards \$193.31			2 cubic yards \$185.00	

OTHER RATES

These "other" rates noted below are proposed rates that involve specialty service or additional pickups that are different than the residential or commercial rates used to compare basic service rates.

AREA	FY 20/21	FY 21/22	AR	CRR	RS	UWS	WARE	WM
FA 6: North Tustin - Cowan Heights and Lemon Heights Special Access Vehicle (SAV)								
FA 6 SAV	\$25.98	\$26.21	\$27.50	\$43.98		\$44.24	\$41.00	\$36.50
FA 6: North Tustin - Cowan Heights and Lemon Heights Private Road/Valet Service (VS)								
FA 6 VS	\$49.23	\$49.67	\$52.50	\$54.97		\$62.43	\$52.00	\$45.00
FA 7B: Emerald Bay								
^2 Twice Weekly Curbside Service (171 Billing Units)								
^3 Twice Weekly Walk-In Service (198 Billing Units)								
FA 7B ^2	\$31.63	\$31.91	\$28.00	\$71.74			\$54.96	\$58.00
FA 7B ^3	\$44.25	\$44.65	\$35.00	\$85.80			\$64.95	\$72.00

FA 7A: John Wayne Airport

Proposed estimated monthly costs for John Wayne Airport trash and recycling services.

Franchise Area 7A	AR	CRR	RS	UWS	WARE	WM
1.a. MSW Container Rental and Equipment Maintenance	\$1,350.00	\$3,560.00	\$1,875.00	\$1,050.00	\$3,133.00	
1.b. MSW Collection Service	\$12,310.00	\$22,000.00	\$14,329.47	\$10,725.00	\$9,831.00	
1.c. MSW Waste Disposal	\$10,751.00	\$8,575.00	\$8,885.70	\$8,055.45	\$17,675.00	
1.d. MSW Documentation	\$1,225.00	\$600.00	\$0	\$250.00	\$375.00	
2.a. Food Waste Containers and Equipment	\$265.00	\$500.00	\$500.00	\$350.00	\$450.00	
2.b. Food Waste Service	\$3,060.00	\$6,750.00	\$2,904.03	\$2,655.00	\$10,062.00	
2.c. Food Waste Composting	\$850.00	\$1,750.00	\$1,270.00	\$950.00	\$920.00	
2.d. Food Waste Documentation	\$1,225.00	\$600.00	\$0	\$250.00	\$375.00	

DIVERSION RATES

The diversion of material from landfills is vital for the County. Diverting material from the landfill, protects public health, ensures long term capacity at the existing landfills, and ensures compliance with state laws and regulations. AB 939 requires jurisdictions maintain a 50% diversion rate. As part of the RFP, companies were asked to submit diversion rates that they would contractually agree to. A summary of the diversion rates is found in the table below.

AREA	AR	CR&R	RS	UWS	WARE	WM
FA 1	52%	30%	29%	51%	51%	
FA 2	52%	55%	57%		53%	
FA 3	53%	35%	48%		58%	
FA 4	53%	3%	3%		52%	
FA 5-CA1	49%	25%			54%	50%
FA 5-CA2	50%	27%	48%		54%	
FA 6	50%	41%		50%	53%	50%
FA 7A	58%	44%	33%	51%	51%	
FA 7B	52%	30%			50%	50%
FA 8	52%	42%			51%	50.40%
FA 9	32%	16%			52%	

ESTIMATED FIRST-YEAR RATE REVENUE

The table below illustrates the estimated first-rate revenue for each Area and Hauler based on 2020 service levels. The 2020 service levels were provided by the current companies serving the Franchise Areas. Total estimated first-year rate revenue figures include proposed residential curbside cart rate revenue, proposed commercial/ multi-family bin rate revenue, proposed commercial/ multi-family cart rate revenue, and proposed roll-off rate revenue. Detailed documentation for each proposer can be found in Attachment 1.

AREA	AR	CRR	RS	UWS	WARE	WM
FA 1	\$1,005,000	\$1,052,000	\$1,247,000	\$1,098,000	\$912,000	
FA 2	\$440,000	\$476,000	\$427,000		\$313,000	
FA 3	\$57,000	\$83,000	\$79,000		\$56,000	
FA 4	\$123,000	\$153,000	\$114,000		\$83,000	
FA 5-CA1	\$974,000	\$859,000			\$871,000	\$989,000
FA 5-CA2	\$269,000	\$266,000	\$277,000		\$211,000	
FA 6	\$2,426,000	\$3,952,000		\$3,762,000	\$2,920,000	\$3,612,000
FA 7A	\$409,000	\$584,000	\$402,000	\$327,000	\$514,000	
FA 7B	\$198,000	\$454,000			\$336,000	\$414,000
FA 8	\$4,057,000	\$4,598,000			\$4,646,000	\$6,246,000
FA 9	\$1,377,000	\$1,419,000			\$1,271,000	

SUPPORTING COST

The proposers were required to provide supporting cost documentation. Supporting costs is the sum of all costs, including operations costs, outreach, education, contamination monitoring costs, general and administrative costs, profit, and franchise fees for each Franchise Area(s) that a proposer bid on. Supporting costs include, but may not be limited to:

- Subtotal of Operations Costs includes: (Truck operating costs; Transfer station; Transport; MRF costs net of recyclable material revenues; Organics Processing Costs; Landfill Disposal Costs; Container Depreciation / Amortization Costs; and other- i.e. wages, uniforms, fuel, vehicle insurance, vehicle maintenance, etc.)
- Outreach, Education, and Contamination Monitoring Costs
- General and Administrative Costs
- Profit
- Franchise Fee
- Other Interest Expense and Taxes

Detailed supporting cost documentation for each proposer can be found in Attachment 3.

EXCEPTIONS TO THE DRAFT FRANCHISE AGREEMENT

As part of the Request for Proposal, Proposers agreed to the terms of a Draft Franchise Agreement with noted exceptions below.

AMERICAN RECLAMATION

None

CR&R INCORPORATED

CR&R proposes to add Section 7.2(A) Mutual Cooperation & Good Faith Effort Diversion Compliance.

REPUBLIC SERVICES

Republic Services indicated requests for two exceptions and amendments to the Draft Franchise Agreement: Section 4.2(B) Regular Service Areas Exception and Appendix 1-C Container Specifications. Republic requests allowing earlier service hours in industrial areas such as the airport and requests the County remove the requirement for containers to have the company phone number on the bins.

Republic does not request any further exceptions but would like the opportunity to further discuss five areas for clarification: Section 4.1(D)E Annual Community Neighborhood Cleanup; Section 7.2 Minimum Diversion Requirements; Section 9.3 Liquidated Damages; Section 11.5(A)2 County's Right to Perform Services; and Attachment 10 Franchise Area 7A Lump Sum Payment.

UNIVERSAL WASTE SYSTEM

None

WARE DISPOSAL

None

WASTE MANAGEMENT

Waste Management noted multiple exceptions to the Draft Franchise Agreement to the following sections: 1.1 Definitions; 3.4 Assignment and Transfer of Franchise; 4.1 General Services; 4.4(D) Improper Loading of Containers; 4.4(E) Record of Non-Collection; 4.13 County Designation of Facilities; 5.1 Processing and Transfer Arrangements; 5.6 Contamination Monitoring Procedures; 7.3 Diversion Fees; 7.7(E)(1) Number of Reviews; 9.7 Insurance; 9.8 Performance Assurances; 10.2(A) Rate Adjustment; 10.3 Special Circumstance Rate Review; 11.4 Waiver of Defenses; and 12.1(A) Indemnification Generally.

In addition to the exceptions noted above, Waste Management requests the opportunity to further discuss modifications with the County in negotiations, should they receive an award: Section 1.1 Definitions; Section 7.2 Minimum Diversion Requirements; Section 7.5 Technical Assistance Program; Section 7.7(E)(1) Number of Reviews; Section 7.10(E) Incident Reporting; Section 9.3 Liquidated Damages; Section 10.2(A) Rate Adjustment; Section 11.1 Default and Remedies; Appendix 1(E) Processing, Transfer, and Disposal Services and Facility Standards.

LOGISTICS AND OPERATIONS

FACILITY DESCRIPTIONS

Facility descriptions include transfer facilities, processing facilities, operating facilities, and designated disposal facilities for which the Proposers plan to utilize for this contract. Unless otherwise indicated, all facilities are located in California.

ABBREVIATIONS:

BS:	Biosolid	MSW	Mixed solid waste
CD:	Construction and demolition waste	OW:	Organic waste
CR:	Commingled recyclables	PPW:	Post-processed waste
FW:	Food waste	RCR:	Residual commingled recyclables
GW:	Green waste	SSCF:	Source separated commercial food waste
IM:	Inert materials	TF:	Transformation

AMERICAN RECLAMATION FACILITIES

American Reclamation Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Corporate Headquarters	Headquarters	Los Angeles	AR	N/A	N/A	N/A
Local Office	Local Office	Santa Fe Springs	AR	N/A	N/A	N/A
Sunset Environmental Transfer Station	Transfer Station	Irvine	WM	\$70-\$76	N/A	Unknown
CR Transfer and Materials Recovery Facility	Transfer Station	Stanton	CR&R	\$85	N/A	Unknown
Orange Transfer Station	Transfer Station	Orange	WM	\$70	N/A	Unknown
UWS Material Recovery Facility and Waste Transfer Station	Transfer Station	Santa Fe Springs	UWS	\$61	N/A	Unknown
TVI EcoCentre	Material Recovery Facility	Irvine	TVI	\$76	95-98%	OW, GW, FW
La Pata Avenue Green Waste Facility	Material Recovery Facility	San Juan Capistrano	TVI	\$76	97-100%	OW, GW
American Reclamation Composting Facility	Compost	Los Angeles	AR	\$45	95-100%	GW
American Reclamation - CR and C&D Processing Facility	Material Recovery Facility	Los Angeles	AR	\$37-\$65	79-100%	CR, CD, IM
Orange Transfer Station	Material Recovery Facility	Orange	WM	\$70	N/A	MSW
Sunset Environmental Transfer Station	Material Recovery Facility	Irvine	WM	\$70-\$76	Est. 70%	CD
Universal Waste Systems	Material Recovery Facility	Santa Fe Springs	UWS	\$61	Varies	CR, OW, MSW
Grand Central Recycling & Transfer Station	Material Recovery Facility	City of Industry	GCR/VV	\$68.50	78% (CR), 92% (OW)	CR, OW
American Reclamation Dirty MRF*	Dirty MRF	Unknown	AR	N/A	N/A	MSW, CR, OW, FW, GW, CD

*Estimated opening Fall of 2022

CR&R INCORPORATED FACILITIES

CR&R Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Headquarters	Headquarters	Stanton	CR&R	N/A	N/A	N/A
CR Transfer Station	Transfer Station	Stanton	CR&R	\$55-\$65	N/A	CR, GW, FW, MSW, CD
CR&R Western MRF	Material Recovery Facility	Stanton	CR&R	\$25-\$50	75-95%	CR
CR&R Anaerobic Digestion Facility	Anaerobic Digestion	Perris	CR&R	\$125-\$150	90-95%	GW, FW
South Yuma County Landfill	Compost	Yuma, AZ	CR&R	\$30-\$35	85-95%	GW, FW
CR&R EMSW Facility	Engineered Municipal Solid Waste	Perris	CR&R	\$80-\$90	75-85%	RCR
CR&R Mixed Solid Waste Processing Facility	Mixed Solid Waste Processing Facility	Stanton	CR&R	\$75-\$85	20-45%	MSW
CRT C&D MRF	Material Recovery Facility	Stanton	CR&R	\$75-\$85	65-85%	CD
South Orange County C&D MRF	Material Recovery Facility	San Juan Capistrano	CR&R	\$75-\$85	65-85%	CD

REPUBLIC SERVICES FACILITIES

Republic Services Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Republic Anaheim	Local Office	Anaheim	Republic	N/A	N/A	N/A
Republic Huntington Beach	Local Office	Huntington Beach	Republic	N/A	N/A	N/A
Huntington Beach Transfer Facility	Transfer Station	Huntington Beach	Republic	\$92.61	N/A	N/A
Anaheim Transfer Facility	Transfer Station	Anaheim	Republic	\$87.47	N/A	N/A
CVT Regional Materials Recovery Facility	MRF	Anaheim	Republic	\$65-\$104	Varies	MSW, CR, CD, OW, FW, GW
Copper Mountain Landfill	Compost	Yuma, AZ	Republic	\$125	95-99%	OW, FW, GW
Agromin Composting Facility	Compost	Chino	Agromin	\$110	95-99%	OW, FW, GW
Kochergen Farms Composting	Compost	Avenal	Kochergen	\$110	95-99%	OW, FW, GW
Circle Green	Land Application	Phelan	Circle Green	\$110	95-99%	OW, FW, GW
Anaergia's Rialto Bioenergy Facility	Bioenergy	Rialto	Anaergia	\$125	80-95%	FW, BS

UNIVERSAL WASTE SYSTEM FACILITIES

Universal Waste Systems Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Corporate Headquarters	Headquarters	Santa Fe Springs	UWS	N/A	N/A	N/A
Customer Service Center	Customer Service Center	Costa Mesa	UWS	N/A	N/A	N/A
Universal Waste Systems	Material Recovery Facility/Transfer	Santa Fe Springs	UWS	\$55-\$68.50	85-99%	MSW, RW, CR
Greenwise Soil Technologies	Compost	South Gate	GST	\$45-\$85	98%	GW
Rialto BioEnergy Facility	BioEnergy	Rialto	Anaergia	\$68.50-\$85	65%-85%	FW, BS

WARE DISPOSAL FACILITIES

Ware Disposal Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Ware Disposal	Headquarters	Santa Ana	Ware	N/A	N/A	N/A
Madison Material, Inc.	Material Recovery Facility	Santa Ana	Ware	Varies	75-90%	CR, CD, GW, OW
Universal Resources and Recovery	Material Recovery Facility	Santa Fe Springs	UWS	\$59.50	Up to 90%	CR, GW
Puente Hills MRF	Material Recovery Facility	Whittier	LACSD	Varies	Up to 90%	MSW, GW, FW
Orange County Sanitation Treatment Plant*	Anaerobic Digester	Huntington Beach	OCSD	\$26	Up to 100%	FW
Southeast Resource Recovery Facility	Transformation	Unknown	Covanta	\$95.00	Up to 100%	PPW

*Anticipated accepting material July 2022

WASTE MANAGEMENT FACILITIES

Waste Management Facilities	Facility Type	Location	Owner	Price/Ton	Diversion Rate	Materials Accepted
Local Office	Local Office	Irvine	WM	N/A	N/A	N/A
Waste Management Sunset Environmental	Transfer	Irvine	WM	\$52 MSW, \$125 TF	N/A	N.A
Waste Management Orange MRF	MRF	Orange	WM	\$51-\$65	65-75%	CR
Tierra Verde Industries	Compost	Irvine	TVI	\$104.50	95-100%	GW, FW
Centralized Organic Recycling Facility	Organics	Orange	WM	\$135-\$150	90%	SSCFW

IMPLEMENTATION, COMPLIANCE, OUTREACH, AND EMPLOYMENT PLANS

AMERICAN RECLAMATION

Current Franchise Service Areas: None

Implementation: American Reclamation has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities that will lead up to implementation of collection services by July 1, 2021 for all areas they bid on, with the exception of two areas. More time may be needed to transition truck and carts to provide service to Franchise Area 6 (North Tustin and Musick) and to Franchise Area 8 (Coto De Caza, Ladera Ranch, Las Flores). Proposed start date for FA6 and FA8 is October 1st, 2021. A detailed timeline is provided in their full bid.

Compliance: American Reclamation has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: American Reclamation has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, American Reclamation, Inc. will offer employment to qualified existing employees of the current solid-waste collection service provider(s), operating in the Orange County unincorporated areas, that may be displaced due to the County's Franchise Agreement with American Reclamation. American Reclamation does not currently operate under a labor collective bargaining agreement. A detailed description is provided in their full bid.

CR&R

Current Franchise Service Areas: CR&R currently provides residential and commercial services to three Franchise Areas (FA-1; FA-3; and FA-9).

Implementation: CR&R's has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities that will lead up to implementation of collection services by July 1, 2021 for all areas they bid on. A detailed timeline is provided in their full bid.

Compliance: CR&R has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: CR&R has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, CR&R will offer employment to qualified existing employees of the current solid-waste collection service provider(s), operating in the Orange County unincorporated areas, that may be displaced due to the County's Franchise Agreement with CR&R. Because drivers for both CR&R and the current contractor(s) belong to the same Teamsters union, CR&R anticipates that this process would be seamless. Any and all requirements of AB 1669 shall be adhered to in CR&R's employment offers. A detailed description is provided in their full bid.

REPUBLIC SERVICES

Current Franchise Service Areas: Republic Services currently provides residential and commercial services to three Franchise Areas (FA-2; FA-4; and FA-7A).

Implementation: Republic Services has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities that will lead up to implementation of collection services by July 1, 2021 for all areas they bid on. A detailed timeline is provided in their full bid.

Compliance: Republic Services has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: Republic Services has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, Republic Services will offer employment to qualified existing employees of the current solid-waste collection service provider(s), operating in the Orange County unincorporated areas, that may be displaced due to the County's Franchise Agreement with Republic Services. Republic Services has experience transitioning nonaffiliated workers in divisions across the country. A detailed description is provided in their full bid.

UNIVERSAL WASTE SYSTEMS

Current Franchise Service Areas: None

Implementation: Universal Waste Systems has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities that will lead up to implementation of collection services by July 1, 2021 for all areas they bid on. A detailed timeline is provided in their full bid.

Compliance: Universal Waste Systems has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: Universal Waste Systems has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, Universal Waste Systems will offer employment to qualified existing employees of the current solid-waste collection service provider(s), operating in the Orange County unincorporated areas, that may be displaced due to the County's Franchise Agreement with Universal Waste Systems. A detailed description is provided in their full bid.

WARE DISPOSAL

Current Franchise Service Areas: Ware Disposal currently provides residential and commercial services to one Franchise Area (FA 5 CA-2).

Implementation: Ware Disposal has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities that will lead up to implementation of collection services by July 1, 2021 for all areas they bid on. A detailed timeline is provided in their full bid.

Compliance: Ware Disposal has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: Ware Disposal has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, Ware Disposal will offer employment to qualified existing employees of the current solid-waste collection service provider(s), operating in the Orange County unincorporated areas, that may be displaced due to the County's Franchise Agreement with Ware Disposal. Ware Disposal is unionized with the International Brotherhood of Teamsters Local 396 and has a good partnership with this group. A detailed description is provided in their full bid.

WASTE MANAGEMENT

Current Franchise Service Areas: Waste Management currently provides residential and commercial services to four Franchise Areas (FA 5 CA-1, FA 6, FA 7B, FA 8). Waste Management is only bidding on incumbent service areas.

Implementation: All of Waste Management's collection equipment and resources are already in place to continue collection services with no disruption by July 1, 2021 for all areas they bid on. Waste Management has submitted an implementation plan which includes demonstration of their ability and an outline of specific activities focused on compliance with legislation and regulations. A detailed timeline is provided in their full bid.

Compliance: Waste Management has submitted planned tasks, procedures, reporting, and schedules to ensure County's compliance with all applicable laws and regulations such as AB 341, AB 1826, SB 1383, and related regulations. A detailed description is provided in their full bid.

Outreach and Education: Waste Management has submitted an outreach and education plan that details specific actions they will take to satisfy all requirements of AB 939, AB 341, AB 1826, and SB 1383. A detailed description of activities is provided in their full bid.

Employment: Waste Management will retain all current employees providing services to their incumbent four Franchise Areas. Waste Management drivers operate under a labor collective bargaining agreement. A detailed description is provided in their full bid.

CUSTOMER SERVICE

Customer service is very important to the County of Orange. When a customer has a request for or, an issue with, solid waste services, the customer's first contact with the solid waste provider is the company's call center. All proposers have provided requested descriptions about the company's call-in center operations, procedures, locations, bilingual services, office hours, in addition to average customer hold time, as well as protocol to respond to requests and/or complaints. All proposers have submitted detailed customer service activities, provided in each full bid.

CARTS

All proposers have provided requested descriptions about carts and bins which it intends to use in the County Unincorporated Areas, pending County review and approval. If awarded, the proposer shall ensure that all carts and bins are in compliance with all SB 1383 Regulations. A detailed description is provided in each full bid.

VEHICLES

All proposers have provided requested information about collection vehicles, proposed vehicle features that may enhance safety and maneuverability, as applicable, in addition to the Make, Model Year, Type of Fuel to be used and Waste Streams to be collected. A detailed description is provided in each full bid.

SAFETY

Safety is a top priority to the County of Orange. The U.S Department of Labor's Bureau of Labor Statistics identified that refuse and recycling materials collectors have the 6th deadliest occupation in the 2019 National Census of Fatal Occupational Injuries. The County is committed to ensuring the safety of its residents and its contractors' employees. As part of the RFP, Proposers completed a detailed safety questionnaire and provided extensive details about their safety record and programs. The table below summarizes some of the key safety metrics.

ABBREVIATIONS:

EXMOD:	Experience Modification
TRIR:	Total Recordable Injuries
HAR:	Heavy Equipment Accident Rate
ERR:	Employee Retention Rate
VOH:	Vehicle Operating Hours (Annually)

PROPOSER	EXMOD	TRIR	HAR	ERR	VOH
American Reclamation	AVG: 1.035 2020: 1.21	AVG: 4.58 2020: 0	AVG: 4.38 2020: 3.6982	91.43%	2,912
CR&R	0.87	AVG: 3.01 2020: 3.81	N/A	N/A	2,608
Republic Services (Anaheim)	1.06	AVG: 3.44 2020: 2.8	AVG: 6.52 2020: 6.4	94.70%	N/A
Republic Services (HB)	1.06	AVG: 8.24 2020: 6.2	AVG: 11.96 2020: 12.8	95.20%	N/A
Universal Waste	1.47	AVG: 3.54 2020: 4.6	AVG: 7.18 2020: 6.3	N/A	2,700
Ware Disposal	AVG: 1.388 2020: 1.06	AVG: 12.24 2020: 13.47	AVG: 1.97 2020: 2.50	95%	2,736
Waste Management (Santa Ana)	AVG: .815 2020: 0.86	AVG: 3.48	N/A	78.11%	3,039
Waste Management (Irvine)	AVG: .815 2020: 0.86	AVG: 3.42	N/A	78.11%	3,039

*All averages are of previous five (5) years.

EVALUATION PROCESS

A panel of five industry experts reviewed each proposal and interviewed each proposing company. Bids were scored on several criteria outlined below.

SCORING RUBRIC

EVALUATION CRITERIA	POINTS
Proposer's Qualifications: General Experience, Jurisdiction Historical Satisfaction, Financial Stability, Insurance	25 pts
Technical Qualifications: Waste Diversion, Implementation and Compliance Plan, Outreach and Education Plan, Operations, Locations, Servicing Adjacent Jurisdiction	35 pts
Safety Qualifications: Safety Record/Questionnaire	25 pts
Cost: Cost of Service, Cost competitiveness relative to other proposals, Reasonableness of costs	25 pts
Employment (AB 1669 Compliance): Willingness to retain existing contractor's employees that may be displaced if the current contractor is not retained	15 pts
Oral Presentation and Interview: Overall quality of presentation, Ability to sufficiently answer questions, Proposer's overall qualifications, Proposer's knowledge of contractual requirements	25 pts
TOTAL	150 pts

SUMMARY OF EVALUATIONS

All bids submitted included all requested documents to demonstrate responsiveness to the RFP. The results of the Evaluation Process can be found in the table below. The final score is the average of the five panelists and is out of a possible score of 150.

Detailed scoring results can be found in Attachment 2.

PROPOSER'S TOTAL SCORES: Average score from the five panelists out of 150 possible points.

TOTAL SCORES (150 POINTS)						
FRANCHISE AREA	AR	CRR	RS	UWS	WARE	WM
FA1 - ROSSMOOR	88.4	127.8	123.2	91.2	85.8	
FA2 - YORBA LINDA/PLACENTIA ISLANDS	85.4	120.4	128.2		85.8	
FA3 - ORANGE ISLANDS	91.4	126.8	126.2		84.8	
FA4 - FOUNTAIN VALLEY ISLANDS	88.4	122.4	128.2		85.8	
FA5 CA1 - OPA/CANYONS	84.4	123.4			82.8	131.2
FA5 CA2 - EL MODENA	85.4	124.8	124.2		87.2	
FA6 - NORTH TUSTIN	91.4	122.4		87.2	84.8	128.2
FA7A - JWA	89.4	121.4	128.2	93.2	77.8	
FA7B - EMERALD BAY	91.4	116			82.8	124.2
FA8 - SOUTH COUNTY	91.4	124.4			81.8	125.2
FA9 - RANCHO MISSION VIEJO	89.4	127.8			84.8	

FINDINGS

After completing a competitive RFP process, OC Waste & Recycling reviewed the scoring from the five panelists and determined that the following companies would best serve the County and its residents and businesses.

RESULTS AND ANALYSIS

In order to guarantee that the County of Orange and its residents and businesses of the Unincorporated Areas are compliant with current and future state laws and regulations, below please find the highest rated proposers for the consideration of the Board of Supervisors to award Exclusive Franchise Agreements in the stated areas.

HIGHEST RATED PROPOSER BY SERVICE AREA

FRANCHISE AREA		COMPANY					
		AR	CRR	RS	UWS	WARE	WM
FA 1	Rossmoor	x	✓	x	x	x	
FA 2	Placentia Islands; Yorba Linda Islands; Buena Park Island	x	x	✓		x	
FA 3	Orange Islands	x	✓	x		x	
FA 4	Fountain Valley Island	x	x	✓		x	
FA 5 CA-1	Orange Park Acres; The Canyons	x	x			x	✓
FA 5 CA-2	El Modena Islands	x	✓	x		x	
FA 6	North Tustin; James A. Musick Facility	x	x		x	x	✓
FA 7A	John Wayne Airport	x	x	✓	x	x	
FA 7B	Emerald Bay; Laguna Coast Wilderness Park	x	x			x	✓
FA8	Coto De Caz; Ladera Ranch; Trabuco Canyon, Las Flores	x	x			x	✓
FA9	Rancho Mission Viejo; San Juan Unincorporated Areas	x	✓			x	

FULL PROPOSER RANKING

Based on the established evaluation criteria set forth in the RFP, the following bidder(s) received the highest rankings. Detailed information about scoring results can be found in Attachment 2.

AR:	American Reclamation	UWS:	Universal Waste System
CRR:	CR&R, Incorporated	WD:	Ware Disposal
RS:	Republic Services	WM:	Waste Management

FRANCHISE AREA		COMPANY					
		1st	2nd	3rd	4th	5th	6th
FA 1	Rossmoor	CRR	RS	UWS	AR	WD	N/A
FA 2	Placentia Islands; Yorba Linda Islands; Buena Park Island	RS	CRR	WD	AR	N/A	N/A
FA 3	Orange Islands	CRR	RS	AR	WD	N/A	N/A
FA 4	Fountain Valley Island	RS	CRR	AR	WD	N/A	N/A
FA 5 CA-1	Orange Park Acres; The Canyons	WM	CRR	AR	WD	N/A	N/A
FA 5 CA-2	El Modena Islands	CRR	RS	WD	AR	N/A	N/A
FA 6	North Tustin; James A. Musick Facility	WM	CRR	AR	UWS	WD	N/A
FA 7A	John Wayne Airport	RS	CRR	UWS	AR	WD	N/A
FA 7B	Emerald Bay; Laguna Coast Wilderness Park	WM	CRR	AR	WD	N/A	N/A
FA 8	Coto De Caz; Ladera Ranch; Trabuco Canyon, Las Flores	WM	CRR	AR	WD	N/A	N/A
FA 9	Rancho Mission Viejo; San Juan Unincorporated Areas	CRR	AR	WD	N/A	N/A	N/A

ATTACHMENTS

ATTACHMENT 1: DETAILED RATE SUMMARY (PREPARED BY HF&H, INC.)

ATTACHMENT 2: DETAILED SCORING RESULTS

ATTACHMENT 3: DETAILED SUPPORTING COST BIDS FROM EACH PROPOSER

ATTACHMENT 1: DETAILED RATE SUMMARY (PREPARED BY HF&H, INC.)

EXCLUSIVE COLLECTION AND HANDLING OF DISCARDED MATERIALS MANAGEMENT
SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL GENERATORS
COUNTY OF ORANGE - UNINCORPORATED AREAS



HF&H Consultants

Bid #2101-001
April 12, 2021
Consultant Review & Analysis

**OC Waste & Recycling
Proposed First-Year Rate Revenue*
All Franchise Areas**

Estimated Annual Rate Revenue

Row	Proposer	Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	Total Franchise Areas
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	American Reclamation (1)	\$ 1,005,000	\$ 440,000	\$ 57,000	\$ 123,000	\$ 974,000	\$ 269,000	\$ 2,426,000	\$ 409,000	\$ 198,000	\$ 4,057,000	\$ 1,377,000	\$ 11,335,000
2	CR&R (2)	\$ 1,052,000	\$ 476,000	\$ 83,000	\$ 153,000	\$ 859,000	\$ 266,000	\$ 3,952,000	\$ 584,000	\$ 454,000	\$ 4,598,000	\$ 1,419,000	\$ 13,896,000
3	Republic	\$ 1,247,000	\$ 427,000	\$ 79,000	\$ 114,000	N/A	\$ 277,000	N/A	\$ 402,000	N/A	N/A	N/A	\$ 2,546,000
4	UWS	\$ 1,098,000	N/A	N/A	N/A	N/A	N/A	\$ 3,762,000	\$ 327,000	N/A	N/A	N/A	\$ 5,187,000
5	Ware	\$ 912,000	\$ 313,000	\$ 56,000	\$ 83,000	\$ 871,000	\$ 211,000	\$ 2,920,000	\$ 514,000	\$ 336,000	\$ 4,646,000	\$ 1,271,000	\$ 12,133,000
6	WM	N/A	N/A	N/A	N/A	\$ 989,000	N/A	\$ 3,612,000	N/A	\$ 414,000	\$ 6,246,000	N/A	\$ 11,261,000
7	Current Revenue Using FY 2020-21 Rates	\$ 885,000	\$ 346,000	\$ 53,000	\$ 71,000	\$ 807,000	\$ 186,000	\$ 2,364,000	\$ 262,000	\$ 221,000	\$ 3,766,000	\$ 1,218,000	\$ 10,179,000

*Excludes revenue from optional services and other services.

(1) American Reclamation proposed a discount ranging from 5% - 18% to be negotiated based on areas awarded.

(2) CR&R proposed a 50% discount to rates in FA 7-A (John Wayne Airport) if awarded all franchise areas.

OC Waste & Recycling
First-Year Estimated Rate Revenue as Proposed by Proposer
Sorted from Low to High

Franchise Area 1

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 885,000	\$ -	-
2	Ware	\$ 912,000	\$ 27,000	3%
3	American Reclamation	\$ 1,005,000	\$ 120,000	14%
4	CR&R	\$ 1,052,000	\$ 167,000	19%
5	UWS	\$ 1,098,000	\$ 213,000	24%
6	Republic	\$ 1,247,000	\$ 362,000	41%
7	WM	N/A	N/A	N/A

Franchise Area 2

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Ware	\$ 313,000	\$ (33,000)	-10%
2	Current FY 2020-21 Rates	\$ 346,000	\$ -	-
3	Republic	\$ 427,000	\$ 81,000	23%
4	American Reclamation	\$ 440,000	\$ 94,000	27%
5	CR&R	\$ 476,000	\$ 130,000	38%
6	UWS	N/A	N/A	N/A
7	WM	N/A	N/A	N/A

Franchise Area 3

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 53,000	\$ -	-
2	Ware	\$ 56,000	\$ 3,000	6%
3	American Reclamation	\$ 57,000	\$ 4,000	8%
4	Republic	\$ 79,000	\$ 26,000	49%
5	CR&R	\$ 83,000	\$ 30,000	57%
6	UWS	N/A	N/A	N/A
7	WM	N/A	N/A	N/A

First-Year Estimated Rate Revenue as Proposed by Proposer
Sorted from Low to High
Franchise Area 4

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 71,000	\$ -	-
2	Ware	\$ 83,000	\$ 12,000	17%
3	Republic	\$ 114,000	\$ 43,000	61%
4	American Reclamation	\$ 123,000	\$ 52,000	73%
5	CR&R	\$ 153,000	\$ 82,000	115%
6	UWS	N/A	N/A	N/A
7	WM	N/A	N/A	N/A

Franchise Area 5 CA-1

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 807,000	\$ -	-
2	CR&R	\$ 859,000	\$ 52,000	6%
3	Ware	\$ 871,000	\$ 64,000	8%
4	American Reclamation	\$ 974,000	\$ 167,000	21%
5	WM	\$ 989,000	\$ 182,000	23%
6	Republic	N/A	N/A	N/A
7	UWS	N/A	N/A	N/A

Franchise Area 5 CA-2

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 186,000	\$ -	-
2	Ware	\$ 211,000	\$ 25,000	13%
3	CR&R	\$ 266,000	\$ 80,000	43%
4	American Reclamation	\$ 269,000	\$ 83,000	45%
5	Republic	\$ 277,000	\$ 91,000	49%
6	UWS	N/A	N/A	N/A
7	WM	N/A	N/A	N/A

First-Year Estimated Rate Revenue as Proposed by Proposer
Sorted from Low to High
Franchise Area 6

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 2,364,000	\$ -	-
2	American Reclamation	\$ 2,426,000	\$ 62,000	3%
3	Ware	\$ 2,920,000	\$ 556,000	24%
4	WM	\$ 3,612,000	\$ 1,248,000	53%
5	UWS	\$ 3,762,000	\$ 1,398,000	59%
6	CR&R	\$ 3,952,000	\$ 1,588,000	67%
7	Republic	N/A	N/A	N/A

Franchise Area 7-A

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 262,000	\$ -	-
2	UWS	\$ 327,000	\$ 65,000	25%
3	Republic	\$ 402,000	\$ 140,000	53%
4	American Reclamation	\$ 409,000	\$ 147,000	56%
5	Ware	\$ 514,000	\$ 252,000	96%
6	CR&R	\$ 584,000	\$ 322,000	123%
7	WM	N/A	N/A	N/A

Franchise Area 7-B

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	American Reclamation	\$ 198,000	\$ (23,000)	-10%
2	Current FY 2020-21 Rates	\$ 221,000	\$ -	-
3	Ware	\$ 336,000	\$ 115,000	52%
4	WM	\$ 414,000	\$ 193,000	87%
5	CR&R	\$ 454,000	\$ 233,000	105%
6	Republic	N/A	N/A	N/A
7	UWS	N/A	N/A	N/A

First-Year Estimated Rate Revenue as Proposed by Proposer
Sorted from Low to High
Franchise Area 8

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 3,766,000	\$ -	-
2	American Reclamation	\$ 4,057,000	\$ 291,000	8%
3	CR&R	\$ 4,598,000	\$ 832,000	22%
4	Ware	\$ 4,646,000	\$ 880,000	23%
5	WM	\$ 6,246,000	\$ 2,480,000	66%
6	Republic	N/A	N/A	N/A
7	UWS	N/A	N/A	N/A

Franchise Area 9

Line	Proposer	Estimated First Year Rate Revenue	Increase (Decrease) from Current Rate Revenues	Percent Increase (Decrease) from Current Rate Revenues
1	Current FY 2020-21 Rates	\$ 1,218,000	\$ -	-
2	Ware	\$ 1,271,000	\$ 53,000	4%
3	American Reclamation	\$ 1,377,000	\$ 159,000	13%
4	CR&R	\$ 1,419,000	\$ 201,000	17%
5	Republic	N/A	N/A	N/A
6	UWS	N/A	N/A	N/A
7	WM	N/A	N/A	N/A

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 1

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 779,184	\$ 860,052	\$ 850,788	\$ 1,085,112	\$ 960,300	\$ 793,512	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 106,104	\$ 144,000	\$ 184,464	\$ 154,200	\$ 127,860	\$ 115,164	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 1,269	\$ 17,075	\$ 8,100	\$ 9,612	\$ 3,240	N/A
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 885,288	\$ 1,005,321	\$ 1,052,327	\$ 1,247,412	\$ 1,097,772	\$ 911,916	N/A
6	Total Rate Revenue, Rounded	\$ 885,000	\$ 1,005,000	\$ 1,052,000	\$ 1,247,000	\$ 1,098,000	\$ 912,000	N/A
7	Percentage Increase to Current Rate Revenue	-	14%	19%	41%	24%	3%	N/A

*Final negotiated rates are noted in green below the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 1

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$ 19.23	\$ 21.21	\$ 20.95	\$ 26.78	\$ 23.73	\$ 19.34	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 107.92	\$ 162.47	\$ 185.19	\$ 153.26	\$ 116.00	N/A

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 2

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 293,160	\$ 383,856	\$ 384,696	\$ 343,656	N/A	\$ 258,516	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 52,752	\$ 55,380	\$ 81,348	\$ 78,996	N/A	\$ 52,596	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 705	\$ 9,486	\$ 4,500	N/A	\$ 1,800	N/A
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 345,912	\$ 439,941	\$ 475,530	\$ 427,152	N/A	\$ 312,912	N/A
6	Total Rate Revenue, Rounded	\$ 346,000	\$ 440,000	\$ 476,000	\$ 427,000	N/A	\$ 313,000	N/A
7	Percentage Increase to Current Rate Revenue	-	27%	38%	23%	N/A	-10%	N/A

*Final negotiated rates are noted in green below the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 2

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$16.78 (Buena Park) \$22.73 (Placentia / Yorba Linda)	\$ 29.00	\$ 28.99	\$ 25.98	N/A	\$ 18.74	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 102.54	\$ 162.47	\$ 184.33	N/A	\$ 116.00	N/A

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 3

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 18,696	\$ 18,528	\$ 20,892	\$ 27,084	N/A	\$ 20,052	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 34,020	\$ 37,812	\$ 54,564	\$ 48,936	N/A	\$ 34,848	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 564	\$ 7,589	\$ 2,638	N/A	\$ 1,440	N/A
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 52,716	\$ 56,904	\$ 83,045	\$ 78,658	N/A	\$ 56,340	N/A
6	Total Rate Revenue, Rounded	\$ 53,000	\$ 57,000	\$ 83,000	\$ 79,000	N/A	\$ 56,000	N/A
7	Percentage Increase to Current Rate Revenue	-	8%	57%	49%	N/A	6%	N/A

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 3

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$18.08 (Orange Islands)	\$ 17.89	\$ 19.99	\$ 26.32	N/A	\$ 18.74	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 100.67	\$ 162.47	\$ 184.56	N/A	\$ 116.00	N/A

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 4

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 71,460	\$ 121,776	\$ 137,940	\$ 107,196	N/A	\$ 80,592	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 1,128	\$ 15,178	\$ 7,200	N/A	\$ 2,880	N/A
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 71,460	\$ 122,904	\$ 153,118	\$ 114,396	N/A	\$ 83,472	N/A
6	Total Rate Revenue, Rounded	\$ 71,000	\$ 123,000	\$ 153,000	\$ 114,000	N/A	\$ 83,000	N/A
7	Percentage Increase to Current Rate Revenue	-	73%	115%	61%	N/A	17%	N/A

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 4

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 117.99	\$ 162.47	\$ 191.58	N/A (1)	\$ 116.00	N/A

(1) Per Republic, residential areas in Franchise Area 4 are collected with City of Fountain Valley residential waste.

**OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 5 CA-1**

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 285,756	\$ 519,348	\$ 357,516	N/A	N/A	\$ 501,480	\$ 343,272
2	Commercial/Multi-Family Bin Rate Revenue	\$ 418,680	\$ 345,204	\$ 410,268	N/A	N/A	\$ 281,244	\$ 527,040
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 987	\$ 13,280	N/A	N/A	\$ 2,520	\$ 8,568
4	Roll-off Rate Revenue	\$ 102,676	\$ 108,546	\$ 77,894	N/A	N/A	\$ 86,110	\$ 109,810
5	Total Rate Revenue	\$ 807,112	\$ 974,085	\$ 858,958	N/A	N/A	\$ 871,354	\$ 988,690
6	Total Rate Revenue, Rounded	\$ 807,000	\$ 974,000	\$ 859,000	N/A	N/A	\$ 871,000	\$ 989,000
7	Percentage Increase to Current Rate Revenue	-	21%	6%	N/A	N/A	8%	23%

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

**First-Year Proposed Rates
Franchise Area 5 CA-1**

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM	
1	Residential Basic Service	\$17.74 (OPA) \$25.98 (Canyons and OPA Special Access)	\$ 38.10	\$ 23.99	N/A	N/A	\$ 26.98	\$ 21.95	\$22.65
2	Commercial 3 CY Refuse Bin 1x week	\$ 196.92	\$ 128.65	\$ 162.47	N/A	N/A	\$ 129.00	\$ 196.00	\$260.00

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 5 CA-2

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 126,972	\$ 195,336	\$ 145,296	\$ 187,704	N/A	\$ 145,140	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 59,244	\$ 71,952	\$ 102,216	\$ 83,112	N/A	\$ 62,352	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 1,396	\$ 18,687	\$ 6,594	N/A	\$ 3,540	N/A
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 186,216	\$ 268,684	\$ 266,199	\$ 277,410	N/A	\$ 211,032	N/A
6	Total Rate Revenue, Rounded	\$ 186,000	\$ 269,000	\$ 266,000	\$ 277,000	N/A	\$ 211,000	N/A
7	Percentage Increase to Current Rate Revenue	-	45%	43%	49%	N/A	13%	N/A

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 5 CA-2

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$ 17.74	\$ 27.61	\$ 19.99	\$ 26.32	N/A	\$ 18.54	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 131.26	\$ 100.67	\$ 162.47	\$ 184.56	N/A	\$ 116.00	N/A

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 6

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 2,155,212	\$ 2,181,324	\$ 3,609,156	N/A	\$ 3,492,588	\$ 2,686,404	\$ 3,243,288
2	Commercial/Multi-Family Bin Rate Revenue	\$ 178,728	\$ 204,816	\$ 291,000	N/A	\$ 218,172	\$ 197,688	\$ 326,952
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 1,551	\$ 20,869	N/A	\$ 11,748	\$ 3,960	\$ 9,900
4	Roll-off Rate Revenue	\$ 30,016	\$ 38,019	\$ 30,580	N/A	\$ 39,013	\$ 31,809	\$ 32,277
5	Total Rate Revenue	\$ 2,363,956	\$ 2,425,710	\$ 3,951,605	N/A	\$ 3,761,521	\$ 2,919,861	\$ 3,612,417
6	Total Rate Revenue, Rounded	\$ 2,364,000	\$ 2,426,000	\$ 3,952,000	N/A	\$ 3,762,000	\$ 2,920,000	\$ 3,612,000
7	Percentage Increase to Current Rate Revenue	-	3%	67%	N/A	59%	24%	53%

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 6

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM	
1	Residential Basic Service	\$ 17.74	\$ 17.83	\$ 29.99	N/A	\$ 29.49	\$ 18.34	\$ 26.65	\$23.85
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 100.67	\$ 162.47	N/A	\$ 153.26	\$ 134.00	\$ 169.00	\$260.00

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 7-A

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 29,760	\$ 36,240	\$ 52,224	\$ 45,312	\$ 35,724	N/A	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Roll-off Rate Revenue	\$ 232,218	\$ 372,435	\$ 532,020	\$ 357,170	\$ 291,425	\$ 513,852	N/A
5	Total Rate Revenue	\$ 261,978	\$ 408,675	\$ 584,244	\$ 402,482	\$ 327,149	\$ 513,852	N/A
6	Total Rate Revenue, Rounded	\$ 262,000	\$ 409,000	\$ 584,000	\$ 402,000	\$ 327,000	\$ 514,000	N/A
7	Percentage Increase to Current Rate Revenue	-	56%	123%	53%	25%	96%	N/A

First-Year Proposed Rates
Franchise Area 7-A

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 100.67	\$ 162.47	\$ 194.46	\$ 153.26	NA	N/A

(1) Franchise Area 7-A (John Wayne Airport) does not include residential areas.

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 7-B

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 202,476	\$ 172,836	\$ 417,456	N/A	N/A	\$ 315,792	\$ 355,560
2	Commercial/Multi-Family Bin Rate Revenue	\$ 18,792	\$ 24,768	\$ 34,932	N/A	N/A	\$ 19,440	\$ 56,736
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 141	\$ 1,897	N/A	N/A	\$ 360	\$ 1,224
4	Roll-off Rate Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Total Rate Revenue	\$ 221,268	\$ 197,745	\$ 454,285	N/A	N/A	\$ 335,592	\$ 413,520
6	Total Rate Revenue, Rounded	\$ 221,000	\$ 198,000	\$ 454,000	N/A	N/A	\$ 336,000	\$ 414,000
7	Percentage Increase to Current Rate Revenue	-	-10%	105%	N/A	N/A	52%	87%

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 7-B

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM	
1	Residential Basic Service	\$ 17.74	\$ 17.95	\$ 38.99	N/A	N/A	\$ 21.95	\$ 36.50	\$36.25
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 114.56	\$ 162.47	N/A	N/A	\$ 116.00	\$ 205.00	\$260.00

**OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 8**

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 2,934,540	\$ 2,985,144	\$ 3,139,128	N/A	N/A	\$ 3,745,572	\$ 4,451,100
2	Commercial/Multi-Family Bin Rate Revenue	\$ 740,700	\$ 943,584	\$ 1,277,760	N/A	N/A	\$ 785,712	\$ 1,650,636
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 6,627	\$ 89,168	N/A	N/A	\$ 16,920	\$ 42,300
4	Roll-off Rate Revenue	\$ 90,411	\$ 121,151	\$ 92,117	N/A	N/A	\$ 97,520	\$ 102,260
5	Total Rate Revenue	\$ 3,765,651	\$ 4,056,506	\$ 4,598,173	N/A	N/A	\$ 4,645,724	\$ 6,246,296
6	Total Rate Revenue, Rounded	\$ 3,766,000	\$ 4,057,000	\$ 4,598,000	N/A	N/A	\$ 4,646,000	\$ 6,246,000
7	Percentage Increase to Current Rate Revenue	-	8%	22%	N/A	N/A	23%	66%

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

**First-Year Proposed Rates
Franchise Area 8**

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$ 17.74	\$ 18.15	\$ 18.64	N/A	N/A	\$ 21.23	\$ 26.65
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 102.00	\$ 162.47	N/A	N/A	\$ 116.00	\$ 188.00

\$20.50

\$245.00

OC Waste & Recycling
First-Year Estimated Rate Revenue Summary as Proposed by Proposer
Franchise Area 9

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Curbside Cart Rate Revenue	\$ 678,768	\$ 689,028	\$ 680,592	N/A	N/A	\$ 719,868	N/A
2	Commercial/Multi-Family Bin Rate Revenue	\$ 210,252	\$ 245,088	\$ 349,128	N/A	N/A	\$ 210,216	N/A
3	Commercial/Multi-Family Cart Rate Revenue	N/A	\$ 3,948	\$ 53,122	N/A	N/A	\$ 10,080	N/A
4	Roll-off Rate Revenue	\$ 329,452	\$ 439,427	\$ 335,676	N/A	N/A	\$ 330,350	N/A
5	Total Rate Revenue	\$ 1,218,472	\$ 1,377,491	\$ 1,418,518	N/A	N/A	\$ 1,270,514	N/A
6	Total Rate Revenue, Rounded	\$ 1,218,000	\$ 1,377,000	\$ 1,419,000	N/A	N/A	\$ 1,271,000	N/A
7	Percentage Increase to Current Rate Revenue	-	13%	17%	N/A	N/A	4%	N/A

*Final negotiated rates are noted in green next to the original proposed rate, only if there are any updates.

First-Year Proposed Rates
Franchise Area 9

Row	Service Level	Current FY 2020-21 Rates	American Reclamation	CR&R	Republic	UWS	Ware	WM
1	Residential Basic Service	\$ 17.74	\$ 18.02	\$ \$20.95 17.75	N/A	N/A	\$ 18.64	N/A
2	Commercial 3 CY Refuse Bin 1x week	\$ 127.72	\$ 102.00	\$ 162.47	N/A	N/A	\$ 108.00	N/A

**OC Waste & Recycling
Comparison of First-Year Rate Revenues**

Row	Hauler	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)		Difference (should be \$0)
		Recalculated by HF&H	As Proposed in Hauler Cost Proposal Forms	
1	American Reclamation	\$ 11,333,966	\$ 11,333,966	\$ -
2	CR&R (1)	\$ 13,896,002	\$ 13,895,121	\$ 881 (3)
3	Republic (2)	\$ 2,547,510	\$ 2,547,510	\$ -
4	UWS	\$ 5,186,442	\$ 5,186,424	\$ 18 (3)
5	Ware	\$ 12,132,569	\$ 12,132,569	\$ -
6	WM	\$ 11,260,923	\$ 11,260,923	\$ -

(1) CR&R provided revised cost proposal forms on April 9, 2021.

(2) Republic provided revised cost proposal forms on April 12, 2021.

(3) Differences are due to rounding proposed rates to nearest penny, and are immaterial.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTS**Proposing Company:** AMERICAN RECLAMATION, INC.Instructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ 1,005,321	\$ 1,005,321	\$ 0
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ 439,941	\$ 439,941	\$ 0
3	Area 3	Orange Islands	\$ 56,904	\$ 56,904	\$ (0)
4	Area 4	Fountain Valley Island	\$ 122,904	\$ 122,904	\$ -
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ 974,085	\$ 974,085	\$ -
6	Area 5 CA-2	El Modena Islands	\$ 268,684	\$ 268,684	\$ 0
7	Area 6	North Tustin and Musick Facility	\$ 2,425,710	\$ 2,425,710	\$ 0
8	Area 7-A	John Wayne Airport	\$ 408,675	\$ 408,675	\$ -
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ 197,745	\$ 197,745	\$ -
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ 4,056,506	\$ 4,056,506	\$ (0)
11	Area 9	Rancho Mission Viejo	\$ 1,377,491	\$ 1,377,491	\$ (0)
12	Total		\$ 11,333,966	\$ 11,333,966	\$ 0

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTSProposing Company: CR&RInstructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ 1,052,327	\$ 1,052,315	\$ (12)
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ 475,530	\$ 475,530	\$ 0
3	Area 3	Orange Islands	\$ 83,045	\$ 83,045	\$ 0
4	Area 4	Fountain Valley Island	\$ 153,118	\$ 153,118	\$ 0
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ 858,958	\$ 858,947	\$ (12)
6	Area 5 CA-2	El Modena Islands	\$ 266,199	\$ 266,200	\$ 0
7	Area 6	North Tustin and Musick Facility	\$ 3,951,605	\$ 3,951,282	\$ (323)
8	Area 7-A	John Wayne Airport	\$ 584,244	\$ 584,244	\$ -
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ 454,285	\$ 454,297	\$ 12
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ 4,598,173	\$ 4,597,624	\$ (550)
11	Area 9	Rancho Mission Viejo	\$ 1,418,518	\$ 1,418,519	\$ 1
12	Total		\$ 13,896,002	\$ 13,895,121	\$ (882)

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTS**Proposing Company:** Republic Waste Services of Southern California, LLC and Rainbow Disposal Co., Inc.Instructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ 1,247,412	\$ 1,247,412	\$ -
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ 427,152	\$ 427,152	\$ -
3	Area 3	Orange Islands	\$ 78,658	\$ 78,658	\$ -
4	Area 4	Fountain Valley Island	\$ 114,396	\$ 114,396	\$ -
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ -	\$ -	\$ -
6	Area 5 CA-2	El Modena Islands	\$ 277,410	\$ 277,410	\$ -
7	Area 6	North Tustin and Musick Facility	\$ -	\$ -	\$ -
8	Area 7-A	John Wayne Airport	\$ 402,482	\$ 402,482	\$ -
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ -	\$ -	\$ -
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ -	\$ -	\$ -
11	Area 9	Rancho Mission Viejo	\$ -	\$ -	\$ -
12	Total		\$ 2,547,510	\$ 2,547,510	\$ -

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTS**Proposing Company:** Universal Waste Systems, Inc.Instructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ 1,097,772	\$ 1,097,777	\$ 5
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ -	\$ -	\$ -
3	Area 3	Orange Islands	\$ -	\$ -	\$ -
4	Area 4	Fountain Valley Island	\$ -	\$ -	\$ -
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ -	\$ -	\$ -
6	Area 5 CA-2	El Modena Islands	\$ -	\$ -	\$ -
7	Area 6	North Tustin and Musick Facility	\$ 3,761,521	\$ 3,761,497	\$ (24)
8	Area 7-A	John Wayne Airport	\$ 327,149	\$ 327,149	\$ -
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ -	\$ -	\$ -
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ -	\$ -	\$ -
11	Area 9	Rancho Mission Viejo	\$ -	\$ -	\$ -
12	Total		\$ 5,186,442	\$ 5,186,424	\$ (19)

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTS**Proposing Company:** WARE DISPOSAL INC.Instructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ 911,916	\$ 911,916	\$ 0
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ 312,912	\$ 312,912	\$ (0)
3	Area 3	Orange Islands	\$ 56,340	\$ 56,340	\$ 0
4	Area 4	Fountain Valley Island	\$ 83,472	\$ 83,472	\$ 0
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ 871,354	\$ 871,354	\$ 0
6	Area 5 CA-2	El Modena Islands	\$ 211,032	\$ 211,032	\$ (0)
7	Area 6	North Tustin and Musick Facility	\$ 2,919,861	\$ 2,919,861	\$ 0
8	Area 7-A	John Wayne Airport	\$ 513,852	\$ 513,852	\$ (0)
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ 335,592	\$ 335,592	\$ (0)
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ 4,645,724	\$ 4,645,724	\$ (0)
11	Area 9	Rancho Mission Viejo	\$ 1,270,514	\$ 1,270,514	\$ 0
12	Total		\$ 12,132,569	\$ 12,132,569	\$ (0)

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COMPARISON OF RATE REVENUES AND REVENUE REQUIREMENTS**Proposing Company:** Waste Management Collection & Recycling, IncInstructions: Confirm automatic references and accuracy of automatic calculations.

Row	Franchise Area	Description	Proposed First-Year Rate Revenue (from Attach. 5-A, Row 5)	Proposed First-Year Revenue Requirement (from Attach. 6-A, Row 14)	Difference (should be \$0)
1	Area 1	Rossmoor	\$ -	\$ -	\$ -
2	Area 2	Buena Park, Placentia, and Yorba Linda Islands	\$ -	\$ -	\$ -
3	Area 3	Orange Islands	\$ -	\$ -	\$ -
4	Area 4	Fountain Valley Island	\$ -	\$ -	\$ -
5	Area 5 CA-1	OPA, Canyons and OPA Special Access	\$ 988,690	\$ 988,690	\$ -
6	Area 5 CA-2	El Modena Islands	\$ -	\$ -	\$ -
7	Area 6	North Tustin and Musick Facility	\$ 3,612,417	\$ 3,612,417	\$ -
8	Area 7-A	John Wayne Airport	\$ -	\$ -	\$ -
9	Area 7-B	Emerald Bay and Laguna Coast Wilderness Park	\$ 413,520	\$ 413,520	\$ -
10	Area 8	Coto De Caza/Ladera Ranch/Las Flores	\$ 6,246,296	\$ 6,246,296	\$ -
11	Area 9	Rancho Mission Viejo	\$ -	\$ -	\$ -
12	Total		\$ 11,260,923	\$ 11,260,923	\$ -

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

ATTACHMENT 2: DETAILED SCORING RESULTS

Results Summary

Final Score (Out of 150)	AR	CR&R	RS	UWS	WARE	WM
Franchise Area 1	88.4	127.8	123.2	91.2	85.8	
Franchise Area 2	85.4	120.4	128.2		85.8	
Franchise Area 3	91.4	126.8	126.2		84.8	
Franchise Area 4	88.4	122.4	128.2		85.8	
Franchise Area 5 CA1	84.4	123.4			82.8	131.2
Franchise Area 5 CA2	85.4	124.8	124.2		87.2	
Franchise Area 6	91.4	122.4		87.2	84.8	128.2
Franchise Area 7A	89.4	121.4	128.2	93.2	77.8	
Franchise Area 7B	91.4	116			82.8	124.2
Franchise Area 8	91.4	124.4			81.8	125.2
Franchise Area 9	89.4	127.8			84.8	

Franchise Area 1

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	5	5	3	3	
Panelist 2	2	4	4	3	2	
Panelist 3	2	5	5	3	2	
Panelist 4	3	5	5	3	3	
Panelist 5	3	5	5	3	3	
Average Panelist Score:	2.4	4.8	4.8	3	2.6	
Qualifications Total (Out of 25):	12	24	24	15	13	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	5	3	2	
Panelist 2	1	4	3	2	2	
Panelist 3	2	4	5	3	2	
Panelist 4	3	5	5	2	3	
Panelist 5	2	4	5	3	3	
Average Panelist Score:	2.2	4.4	4.6	2.6	2.4	
Technical Total (Out of 35):	15.4	30.8	32.2	18.2	16.8	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3	3	2	
Panelist 2	3	4	3	2	2	
Panelist 3	3	4	5	3	2	
Panelist 4	3	4	3	2	2	
Panelist 5	3	3	4	3	2	
Average Panelist Score:	3	3.6	3.6	2.6	2	
Safety Total (Out of 25):	15	18	18	13	10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3	3	4	
Panelist 2	2	4	3	3	3	
Panelist 3	3	4	1	3	5	
Panelist 4	4	3	2	3	4	
Panelist 5	3	3	2	3	3	
Average Panelist Score:	3.2	3.4	2.2	3	3.8	
Cost Total (Out of 25):	16	17	11	15	19	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5	5	5	
Panelist 2	5	5	5	5	5	
Panelist 3	5	5	5	5	5	
Panelist 4	5	5	5	5	5	
Panelist 5	5	5	5	5	5	
Average:	5	5	5	5	5	
AB 1669 Total (Out of 15):	15	15	15	15	15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4	4	3	
Panelist 2	3	4	4	3	2	
Panelist 3	2	5	5	3	2	
Panelist 4	4	5	5	2	3	
Panelist 5	3	4	5	3	2	
Average Panelist Score:	3	4.6	4.6	3	2.4	
Interview Total (Out of 25):	15	23	23	15	12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	130	125	101	89	
Panelist 2	72	123	106	84	74	
Panelist 3	79	133	130	96	84	
Panelist 4	106	135	125	79	96	
Panelist 5	89	118	130	96	86	

Average Final Score (Out of 150):	88.4	127.8	123.2	91.2	85.8	
%	58.93%	85.20%	82.13%	60.80%	57.20%	

RANK:	4	1	2	3	5	
--------------	----------	----------	----------	----------	----------	--

Franchise Area 2

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4	5		3	
Panelist 2	2	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	3	5	5		3	
Panelist 5	3	4	5		3	
Average Panelist Score:	2.4	4.4	4.8		2.6	
Qualifications Total (Out of 25):	12	22	24		13	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4	5		2	
Panelist 2	1	4	3		2	
Panelist 3	2	4	5		2	
Panelist 4	3	5	5		3	
Panelist 5	2	4	5		3	
Average Panelist Score:	2.2	4.2	4.6		2.4	
Technical Total (Out of 35):	15.4	29.4	32.2		16.8	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3		2	
Panelist 2	3	4	3		2	
Panelist 3	3	4	5		2	
Panelist 4	3	4	3		2	
Panelist 5	3	3	4		2	
Average Panelist Score:	3	3.6	3.6		2	
Safety Total (Out of 25):	15	18	18		10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3		4	
Panelist 2	2	4	3		3	
Panelist 3	2	2	3		5	
Panelist 4	3	2	4		4	
Panelist 5	2	2	3		3	
Average Panelist Score:	2.6	2.6	3.2		3.8	
Cost Total (Out of 25):	13	13	16		19	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5		5	
Panelist 2	5	5	5		5	
Panelist 3	5	5	5		5	
Panelist 4	5	5	5		5	
Panelist 5	5	5	5		5	
Average:	5	5	5		5	
AB 1669 Total (Out of 15):	15	15	15		15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4		3	
Panelist 2	3	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	4	5	5		3	
Panelist 5	3	4	5		2	
Average Panelist Score:	3	4.6	4.6		2.4	
Interview Total (Out of 25):	15	23	23		12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	118	125		89	
Panelist 2	72	123	106		74	
Panelist 3	74	123	140		84	
Panelist 4	101	130	135		96	
Panelist 5	84	108	135		86	

Average Final Score (Out of 150):	85.4	120.4	128.2		85.8	
%	56.93%	80.27%	85.47%		57.20%	

RANK: 4 2 1 3

Franchise Area 3

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	5	5		3	
Panelist 2	2	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	3	5	5		3	
Panelist 5	3	5	5		3	
Average Panelist Score:	2.4	4.8	4.8		2.6	
Qualifications Total (Out of 25):	12	24	24		13	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	5		2	
Panelist 2	1	4	3		2	
Panelist 3	2	4	5		2	
Panelist 4	3	5	5		3	
Panelist 5	2	4	5		3	
Average Panelist Score:	2.2	4.4	4.6		2.4	
Technical Total (Out of 35):	15.4	30.8	32.2		16.8	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3		2	
Panelist 2	3	4	3		2	
Panelist 3	3	4	5		2	
Panelist 4	3	4	3		2	
Panelist 5	3	3	4		2	
Average Panelist Score:	3	3.6	3.6		2	
Safety Total (Out of 25):	15	18	18		10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3		4	
Panelist 2	3	4	3		3	
Panelist 3	5	3	3		4	
Panelist 4	4	3	3		4	
Panelist 5	3	3	2		3	
Average Panelist Score:	3.8	3.2	2.8		3.6	
Cost Total (Out of 25):	19	16	14		18	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5		5	
Panelist 2	5	5	5		5	
Panelist 3	5	5	5		5	
Panelist 4	5	5	5		5	
Panelist 5	5	5	5		5	
Average:	5	5	5		5	
AB 1669 Total (Out of 15):	15	15	15		15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4		3	
Panelist 2	3	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	4	5	5		3	
Panelist 5	3	4	5		2	
Average Panelist Score:	3	4.6	4.6		2.4	
Interview Total (Out of 25):	15	23	23		12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	130	125		89	
Panelist 2	77	123	106		74	
Panelist 3	89	128	140		79	
Panelist 4	106	135	130		96	
Panelist 5	89	118	130		86	

Average Final Score (Out of 150):	91.4	126.8	126.2		84.8	
%	60.93%	84.53%	84.13%		56.53%	

RANK: 3 1 2 4

Franchise Area 4						
Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4	5		3	
Panelist 2	2	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	3	5	5		3	
Panelist 5	3	4	5		3	
Average Panelist Score:	2.4	4.4	4.8		2.6	
Qualifications Total (Out of 25):	12	22	24		13	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4	5		2	
Panelist 2	1	4	3		2	
Panelist 3	2	4	5		2	
Panelist 4	3	5	5		3	
Panelist 5	2	4	5		3	
Average Panelist Score:	2.2	4.2	4.6		2.4	
Technical Total (Out of 35):	15.4	29.4	32.2		16.8	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3		2	
Panelist 2	3	4	3		2	
Panelist 3	3	4	5		2	
Panelist 4	3	4	3		2	
Panelist 5	3	3	4		2	
Average Panelist Score:	3	3.6	3.6		2	
Safety Total (Out of 25):	15	18	18		10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3		4	
Panelist 2	2	4	3		3	
Panelist 3	4	3	3		5	
Panelist 4	3	2	4		4	
Panelist 5	3	3	3		3	
Average Panelist Score:	3.2	3	3.2		3.8	
Cost Total (Out of 25):	16	15	16		19	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5		5	
Panelist 2	5	5	5		5	
Panelist 3	5	5	5		5	
Panelist 4	5	5	5		5	
Panelist 5	5	5	5		5	
Average:	5	5	5		5	
AB 1669 Total (Out of 15):	15	15	15		15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4		3	
Panelist 2	3	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	4	5	5		3	
Panelist 5	3	4	5		2	
Average Panelist Score:	3	4.6	4.6		2.4	
Interview Total (Out of 25):	15	23	23		12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	118	125		89	
Panelist 2	72	123	106		74	
Panelist 3	84	128	140		84	
Panelist 4	101	130	135		96	
Panelist 5	89	113	135		86	

Average Final Score (Out of 150):	88.4	122.4	128.2		85.8	
%	58.93%	81.60%	85.47%		57.20%	

RANK: 3 2 1 4

Franchise Area 5 CA-1						
Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4			3	5
Panelist 2	2	4			2	4
Panelist 3	2	5			2	5
Panelist 4	3	5			3	5
Panelist 5	3	4			3	5
Average Panelist Score:	2.4	4.4			2.6	4.8
Qualifications Total (Out of 25):	12	22			13	24

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4			2	4
Panelist 2	1	4			2	4
Panelist 3	2	4			2	5
Panelist 4	3	5			3	5
Panelist 5	2	4			3	5
Average Panelist Score:	2.2	4.2			2.4	4.6
Technical Total (Out of 35):	15.4	29.4			16.8	32.2

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3			2	3
Panelist 2	3	4			2	3
Panelist 3	3	4			2	5
Panelist 4	3	4			2	4
Panelist 5	3	3			2	4
Average Panelist Score:	3	3.6			2	3.8
Safety Total (Out of 25):	15	18			10	19

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3			3	4
Panelist 2	2	4			3	4
Panelist 3	2	2			3	4
Panelist 4	2	4			4	3
Panelist 5	2	3			3	4
Average Panelist Score:	2.4	3.2			3.2	3.8
Cost Total (Out of 25):	12	16			16	19

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5			5	5
Panelist 2	5	5			5	5
Panelist 3	5	5			5	5
Panelist 4	5	5			5	5
Panelist 5	5	5			5	5
Average:	5	5			5	5
AB 1669 Total (Out of 15):	15	15			15	15

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5			3	4
Panelist 2	3	4			2	3
Panelist 3	2	5			2	5
Panelist 4	4	5			3	5
Panelist 5	3	4			2	5
Average Panelist Score:	3	4.6			2.4	4.4
Interview Total (Out of 25):	15	23			12	22

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	118			84	123
Panelist 2	72	123			74	113
Panelist 3	74	123			74	145
Panelist 4	96	140			96	135
Panelist 5	84	113			86	140

Average Final Score (Out of 150):	84.4	123.4			82.8	131.2
%	56.27%	82.27%			55.20%	87.47%

RANK: 3 2 4 1

Franchise Area 5 CA-2						
Qualifications	AR	CR&R	RS		WARE	WM
Panelist 1	2	4	5		4	
Panelist 2	2	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	3	5	5		3	
Panelist 5	3	4	5		3	
Average Panelist Score:	2.4	4.4	4.8		2.8	
Qualifications Total (Out of 25):	12	22	24		14	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	5		3	
Panelist 2	1	4	3		2	
Panelist 3	2	4	5		2	
Panelist 4	3	5	5		3	
Panelist 5	2	4	5		3	
Average Panelist Score:	2.2	4.4	4.6		2.6	
Technical Total (Out of 35):	15.4	30.8	32.2		18.2	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3		2	
Panelist 2	3	4	3		2	
Panelist 3	3	4	5		2	
Panelist 4	3	4	3		2	
Panelist 5	3	3	4		2	
Average Panelist Score:	3	3.6	3.6		2	
Safety Total (Out of 25):	15	18	18		10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3		4	
Panelist 2	2	4	3		3	
Panelist 3	2	2	1		4	
Panelist 4	3	4	2		4	
Panelist 5	2	3	3		3	
Average Panelist Score:	2.6	3.2	2.4		3.6	
Cost Total (Out of 25):	13	16	12		18	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5		5	
Panelist 2	5	5	5		5	
Panelist 3	5	5	5		5	
Panelist 4	5	5	5		5	
Panelist 5	5	5	5		5	
Average:	5	5	5		5	
AB 1669 Total (Out of 15):	15	15	15		15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4		3	
Panelist 2	3	4	4		2	
Panelist 3	2	5	5		2	
Panelist 4	4	5	5		3	
Panelist 5	3	4	5		2	
Average Panelist Score:	3	4.6	4.6		2.4	
Interview Total (Out of 25):	15	23	23		12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	125	125		101	
Panelist 2	72	123	106		74	
Panelist 3	74	123	130		79	
Panelist 4	101	140	125		96	
Panelist 5	84	113	135		86	

Average Final Score (Out of 150):	85.4	124.8	124.2		87.2	
%	56.93%	83.20%	82.80%		58.13%	

RANK: 4 1 2 3

Franchise Area 6						
Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4		3	3	5
Panelist 2	2	4		3	2	4
Panelist 3	2	5		3	2	5
Panelist 4	3	5		3	3	5
Panelist 5	3	4		3	3	5
Average Panelist Score:	2.4	4.4		3	2.6	4.8
Qualifications Total (Out of 25):	12	22		15	13	24

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4		3	2	4
Panelist 2	1	4		2	2	4
Panelist 3	2	4		3	2	5
Panelist 4	3	5		2	3	5
Panelist 5	2	4		3	3	5
Average Panelist Score:	2.2	4.2		2.6	2.4	4.6
Technical Total (Out of 35):	15.4	29.4		18.2	16.8	32.2

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3		3	2	3
Panelist 2	3	4		2	2	3
Panelist 3	3	4		3	2	5
Panelist 4	3	4		2	2	4
Panelist 5	3	3		3	2	4
Average Panelist Score:	3	3.6		2.6	2	3.8
Safety Total (Out of 25):	15	18		13	10	19

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3		3	4	3
Panelist 2	3	4		2	3	4
Panelist 3	5	3		1	4	3
Panelist 4	4	2		3	4	3
Panelist 5	3	3		2	3	3
Average Panelist Score:	3.8	3		2.2	3.6	3.2
Cost Total (Out of 25):	19	15		11	18	16

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5		5	5	5
Panelist 2	5	5		5	5	5
Panelist 3	5	5		5	5	5
Panelist 4	5	5		5	5	5
Panelist 5	5	5		5	5	5
Average:	5	5		5	5	5
AB 1669 Total (Out of 15):	15	15		15	15	15

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5		4	3	4
Panelist 2	3	4		3	2	3
Panelist 3	2	5		3	2	5
Panelist 4	4	5		2	3	5
Panelist 5	3	4		3	2	5
Average Panelist Score:	3	4.6		3	2.4	4.4
Interview Total (Out of 25):	15	23		15	12	22

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	118		101	89	118
Panelist 2	77	123		79	74	113
Panelist 3	89	128		86	79	140
Panelist 4	106	130		79	96	135
Panelist 5	89	113		91	86	135

Average Final Score (Out of 150):	91.4	122.4		87.2	84.8	128.2
%	60.93%	81.60%		58.13%	56.53%	85.47%

RANK: 3 2 4 5 1

Franchise Area 7A

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4	5	4	3	
Panelist 2	2	4	4	3	2	
Panelist 3	2	5	5	3	2	
Panelist 4	3	5	5	2	3	
Panelist 5	3	4	5	3	3	
Average Panelist Score:	2.6	4.4	4.8	3	2.6	
Qualifications Total (Out of 25):	13	22	24	15	13	

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4	5	3	2	
Panelist 2	1	4	3	2	2	
Panelist 3	2	4	5	3	2	
Panelist 4	3	5	5	2	3	
Panelist 5	2	4	5	3	3	
Average Panelist Score:	2.2	4.2	4.6	2.6	2.4	
Technical Total (Out of 35):	15.4	29.4	32.2	18.2	16.8	

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3	3	3	2	
Panelist 2	3	4	3	2	2	
Panelist 3	3	4	5	3	2	
Panelist 4	3	4	3	2	2	
Panelist 5	3	3	4	3	2	
Average Panelist Score:	3	3.6	3.6	2.6	2	
Safety Total (Out of 25):	15	18	18	13	10	

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3	3	3	2	
Panelist 2	2	4	3	3	3	
Panelist 3	4	2	3	4	2	
Panelist 4	3	2	4	4	2	
Panelist 5	3	3	3	3	2	
Average Panelist Score:	3.2	2.8	3.2	3.4	2.2	
Cost Total (Out of 25):	16	14	16	17	11	

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5	5	5	5	
Panelist 2	5	5	5	5	5	
Panelist 3	5	5	5	5	5	
Panelist 4	5	5	5	5	5	
Panelist 5	5	5	5	5	5	
Average:	5	5	5	5	5	
AB 1669 Total (Out of 15):	15	15	15	15	15	

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5	4	4	3	
Panelist 2	3	4	4	3	2	
Panelist 3	2	5	5	3	2	
Panelist 4	4	5	5	2	3	
Panelist 5	3	4	5	3	2	
Average Panelist Score:	3	4.6	4.6	3	2.4	
Interview Total (Out of 25):	15	23	23	15	12	

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	101	118	125	106	79	
Panelist 2	72	123	106	84	74	
Panelist 3	84	123	140	101	69	
Panelist 4	101	130	135	79	86	
Panelist 5	89	113	135	96	81	

Average Final Score (Out of 150):	89.4	121.4	128.2	93.2	77.8	
%	59.60%	80.93%	85.47%	62.13%	51.87%	

RANK: 4 2 1 3 5

Franchise Area 7B

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4			3	5
Panelist 2	2	4			2	4
Panelist 3	2	5			2	5
Panelist 4	3	5			3	5
Panelist 5	3	4			3	5
Average Panelist Score:	2.4	4.4			2.6	4.8
Qualifications Total (Out of 25):	12	22			13	24

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4			2	4
Panelist 2	1	4			2	4
Panelist 3	2	4			2	5
Panelist 4	3	5			3	5
Panelist 5	2	3			3	5
Average Panelist Score:	2.2	4			2.4	4.6
Technical Total (Out of 35):	15.4	28			16.8	32.2

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3			2	3
Panelist 2	3	4			2	3
Panelist 3	3	4			2	5
Panelist 4	3	4			2	4
Panelist 5	3	3			2	4
Average Panelist Score:	3	3.6			2	3.8
Safety Total (Out of 25):	15	18			10	19

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	2			3	3
Panelist 2	3	2			3	3
Panelist 3	5	1			4	1
Panelist 4	4	2			3	2
Panelist 5	3	3			3	3
Average Panelist Score:	3.8	2			3.2	2.4
Cost Total (Out of 25):	19	10			16	12

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5			5	5
Panelist 2	5	5			5	5
Panelist 3	5	5			5	5
Panelist 4	5	5			5	5
Panelist 5	5	5			5	5
Average:	5	5			5	5
AB 1669 Total (Out of 15):	15	15			15	15

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5			3	4
Panelist 2	3	4			2	3
Panelist 3	2	5			2	5
Panelist 4	4	5			3	5
Panelist 5	3	4			2	5
Average Panelist Score:	3	4.6			2.4	4.4
Interview Total (Out of 25):	15	23			12	22

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	113			84	118
Panelist 2	77	113			74	108
Panelist 3	89	118			79	130
Panelist 4	106	130			91	130
Panelist 5	89	106			86	135

Average Final Score (Out of 150):	91.4	116			82.8	124.2
%	60.93%	77.33%			55.20%	82.80%

RANK: 3 2 4 1

Franchise Area 8

Qualifications	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	2	4			3	5
Panelist 2	2	4			2	5
Panelist 3	2	5			2	5
Panelist 4	3	5			3	5
Panelist 5	3	4			3	5
Average Panelist Score:	2.4	4.4			2.6	5
Qualifications Total (Out of 25):	12	22			13	25

Technical	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	4			2	4
Panelist 2	1	4			2	4
Panelist 3	2	4			2	5
Panelist 4	3	5			3	5
Panelist 5	2	4			3	5
Average Panelist Score:	2.2	4.2			2.4	4.6
Technical Total (Out of 35):	15.4	29.4			16.8	32.2

Safety	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	3			2	3
Panelist 2	3	4			2	3
Panelist 3	3	4			2	5
Panelist 4	3	4			2	4
Panelist 5	3	3			2	4
Average Panelist Score:	3	3.6			2	3.8
Safety Total (Out of 25):	15	18			10	19

Cost	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	4	3			4	3
Panelist 2	3	4			3	3
Panelist 3	5	4			2	2
Panelist 4	4	3			3	1
Panelist 5	3	3			3	3
Average Panelist Score:	3.8	3.4			3	2.4
Cost Total (Out of 25):	19	17			15	12

AB 1669	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	5	5			5	5
Panelist 2	5	5			5	5
Panelist 3	5	5			5	5
Panelist 4	5	5			5	5
Panelist 5	5	5			5	5
Average:	5	5			5	5
AB 1669 Total (Out of 15):	15	15			15	15

Interview	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	3	5			3	4
Panelist 2	3	4			2	3
Panelist 3	2	5			2	5
Panelist 4	4	5			3	5
Panelist 5	3	4			2	5
Average Panelist Score:	3	4.6			2.4	4.4
Interview Total (Out of 25):	15	23			12	22

Total	AR	CR&R	RS	UWS	WARE	WM
Panelist 1	96	118			89	118
Panelist 2	77	123			74	113
Panelist 3	89	133			69	135
Panelist 4	106	135			91	125
Panelist 5	89	113			86	135

Average Final Score (Out of 150):	91.4	124.4			81.8	125.2
%	60.93%	82.93%			54.53%	83.47%

RANK: 3 2 4 1

ATTACHMENT 3: DETAILED SUPPORTING COST BIDS FROM EACH PROPOSER

PROPOSER DOCUMENTS
(FILED ALPHABETICALLY)

- AMERICAN RECLAMATION
- CR&R
- REPUBLIC SERVICES
- UNITED WASTE SYSTEMS
- WARE DISPOSAL
- WASTE MANAGEMENT

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company: AMERICAN RECLAMATION, INC.

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)	\$ 392,871.36	\$ 201,387.41	\$ 24,451.86	\$ 55,058.00	\$ 422,730.00	\$ 81,312.00	\$ 493,514.09	\$ 108,721.00	\$ 142,545.00	\$ 292,651.89	\$ 463,645.00	\$ 2,678,887.61
3	Transfer Station, Transport, MRF costs net of recyclable material revenues	\$ 152,768.00	\$ 54,432.00	\$ 2,066.00	\$ 16,740.00	\$ 83,298.00	\$ 33,860.00	\$ 139,260.00	\$ 72,426.00	\$ 7,182.00	\$ 955,627.00	\$ 165,789.56	\$ 1,683,448.56
4	Organics Processing Costs	\$ 143,414.00	\$ 47,044.00	\$ 4,256.00	\$ 14,668.00	\$ 122,740.00	\$ 38,836.00	\$ 717,972.00	\$ 82,624.00	\$ 9,308.00	\$ 781,364.00	\$ 166,188.09	\$ 2,128,414.09
5	Landfill Disposal Costs	\$ 112,470.00	\$ 43,822.00	\$ 5,755.00	\$ 11,649.00	\$ 164,752.00	\$ 54,675.00	\$ 490,927.00	\$ 92,472.00	\$ 8,957.00	\$ 738,413.00	\$ 247,821.00	\$ 1,971,713.00
6	Container Depreciation/ Amortization Costs	\$ 52,115.00	\$ 8,715.00	\$ 2,285.00	\$ 1,330.00	\$ 23,600.00	\$ 9,676.00	\$ 144,398.00	\$ 13,800.00	\$ 7,318.00	\$ 333,012.00	\$ 146,495.09	\$ 742,744.09
7	Other:	\$ 29,441.00	\$ 18,164.00	\$ 1,638.00	\$ 2,486.00	\$ 38,614.00	\$ 6,959.00	\$ 80,819.00	\$ 3,798.00	\$ 3,201.00	\$ 128,720.00	\$ 16,495.00	\$ 330,335.00
8	Subtotal: Operations Costs	\$ 883,079.36	\$ 373,564.41	\$ 40,451.86	\$ 101,931.00	\$ 855,734.00	\$ 225,318.00	\$2,066,890.09	\$ 373,841.00	\$ 178,511.00	\$3,229,787.89	\$1,206,433.74	\$ 9,535,542.35
9	Outreach, Education, and Contamination Monitoring	\$ 14,856.00	\$ 9,765.00	\$ 2,180.00	\$ 1,250.00	\$ 9,680.00	\$ 3,680.00	\$ 84,500.00	\$ 3,750.00	\$ 1,670.00	\$ 137,665.00	\$ 27,064.00	\$ 296,060.00
10	General and Administrative	\$ 15,000.00	\$ 8,000.00	\$ 2,000.00	\$ 3,000.00	\$ 7,000.00	\$ 4,000.00	\$ 41,000.00	\$ 5,000.00	\$ 3,000.00	\$ 169,000.00	\$ 42,500.00	\$ 299,500.00
11	Profit	\$ 36,963.00	\$ 23,812.00	\$ 3,043.00	\$ 9,055.00	\$ 43,368.00	\$ 13,605.00	\$ 120,023.00	\$ 7,098.00	\$ 6,270.00	\$ 294,981.00	\$ 30,046.00	\$ 588,264.00
12	Franchise Fee (2)	\$ 23,235.00	\$ 8,475.00	\$ 2,220.00	\$ 915.00	\$ 29,490.00	\$ 6,885.00	\$ 52,770.00	\$ 12,855.00	\$ 3,225.00	\$ 118,230.00	\$ 41,700.00	\$ 300,000.00
13	Other Interest Expense and Taxes	\$ 32,188.00	\$ 16,325.00	\$ 7,009.00	\$ 6,753.00	\$ 28,813.00	\$ 15,196.00	\$ 60,527.00	\$ 6,131.00	\$ 5,069.00	\$ 106,842.00	\$ 29,747.00	\$ 314,600.00
14	TOTAL REVENUE REQUIREMENT	\$ 1,005,321.36	\$ 439,941.41	\$ 56,903.86	\$ 122,904.00	\$ 974,085.00	\$ 268,684.00	\$ 2,425,710.09	\$ 408,675.00	\$ 197,745.00	\$ 4,056,505.89	\$ 1,377,490.74	\$ 11,333,966.35
15	Tons Collected	10,079	2,982	259	839	7,909	2,688	26,176	2,322	359	38,185	8,567	100,366
16	Operations Cost Per Ton Collected	\$ 87.61	\$ 125.28	\$ 156.18	\$ 121.49	\$ 108.19	\$ 83.82	\$ 78.96	\$ 161.00	\$ 496.64	\$ 84.58	\$ 140.82	
17	Revenue Requirement per Ton Collected	\$ 99.74	\$ 147.54	\$ 219.71	\$ 146.49	\$ 123.16	\$ 99.96	\$ 92.67	\$ 176.00	\$ 550.15	\$ 106.23	\$ 160.79	

(1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, vehicle insurance, fuel, uniforms, and other route costs.

(2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company: CR&R Inc.

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)	\$ 372,102	\$ 136,894	\$ 57,729	\$ 33,109	\$ 516,360	\$ 125,772	\$ 1,982,344	\$ 310,483	\$ 370,459	\$ 2,014,945	\$ 563,776	\$ 6,483,973
3	Transfer Station, Transport, MRF costs net of recyclable material revenues	\$ (2,898)	\$ (4,800)	\$ 81	\$ -	\$ (2,609)	\$ 751	\$ (10,781)	\$ -	\$ (246)	\$ (49,653)	\$ 1,158	\$ (68,996)
4	Organics Processing Costs	\$ 171,423	\$ 61,543	\$ 6,947	\$ 3,043	\$ 158,226	\$ 32,004	\$ 913,629	\$ -	\$ 6,692	\$ 633,065	\$ 30,686	\$ 2,017,258
5	Landfill Disposal Costs	\$ 326,929	\$ 53,757	\$ 6,219	\$ 31,832	\$ 211,762	\$ 62,365	\$ 536,903	\$ 139,816	\$ 9,459	\$ 790,824	\$ 297,312	\$ 2,467,178
6	Container Depreciation/ Amortization Costs	\$ 55,341	\$ 17,837	\$ 1,386	\$ -	\$ 31,515	\$ 9,290	\$ 142,461	\$ -	\$ 2,079	\$ 217,091	\$ 52,338	\$ 529,337
7	Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Subtotal: Operations Costs	\$ 922,897	\$ 265,231	\$ 72,361	\$ 67,984	\$ 915,253	\$ 230,181	\$ 3,564,556	\$ 450,300	\$ 388,443	\$ 3,606,271	\$ 945,270	\$ 11,428,748
9	Outreach, Education, and Contamination Monitoring	\$ 22,644	\$ 10,233	\$ 1,787	\$ 3,295	\$ 18,483	\$ 5,728	\$ 85,025	\$ 12,572	\$ 9,776	\$ 98,933	\$ 30,524	\$ 299,000
10	General and Administrative	\$ 73,662	\$ 33,287	\$ 5,813	\$ 10,718	\$ 60,126	\$ 18,634	\$ 276,590	\$ 40,897	\$ 31,801	\$ 321,834	\$ 99,296	\$ 972,658
11	Profit	\$ 9,877	\$ 158,304	\$ 864	\$ 70,206	\$ (164,406)	\$ 4,771	\$ (27,659)	\$ 67,620	\$ 21,052	\$ 452,356	\$ 301,728	\$ 894,714
12	Franchise Fee (2)	\$ 23,235	\$ 8,475	\$ 2,220	\$ 915	\$ 29,490	\$ 6,885	\$ 52,770	\$ 12,855	\$ 3,225	\$ 118,230	\$ 41,700	\$ 300,000
13	Other												\$ -
14	TOTAL REVENUE REQUIREMENT	\$ 1,052,315	\$ 475,530	\$ 83,045	\$ 153,118	\$ 858,947	\$ 266,200	\$ 3,951,282	\$ 584,244	\$ 454,297	\$ 4,597,624	\$ 1,418,519	\$ 13,895,121
15	Tons Collected	10,106	2,873	271	694	7,823	2,381	26,104	2,934	373	37,588	8,649	99,796
16	Operations Cost Per Ton Collected	\$ 91.32	\$ 92.31	\$ 266.92	\$ 98.00	\$ 117.00	\$ 96.66	\$ 136.55	\$ 153.49	\$ 1,041.01	\$ 95.94	\$ 109.29	
17	Revenue Requirement per Ton Collected	\$ 104.13	\$ 165.51	\$ 306.33	\$ 220.73	\$ 109.80	\$ 111.78	\$ 151.36	\$ 199.14	\$ 1,217.49	\$ 122.32	\$ 164.01	

(1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, fuel, uniforms, and other route costs.

(2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company: Republic Waste Services of Southern California, LLC and Rainbow Disposal Co., Inc.

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)	\$ 355,513.51	\$ 123,553.87	\$ 38,331.00	\$ 59,252.00		\$ 54,307.60		\$ 82,882.99				\$ 713,840.97
3	Transfer Station, Transport, MRF costs net of recyclable material revenues	\$ 394,404.04	\$ 94,713.00	\$ 10,129.20	\$ 28,716.33		\$ 57,398.80		\$ 189,124.70				\$ 774,486.07
4	Organics Processing Costs	\$ 91,856.42	\$ 67,176.00	\$ 5,628.45	\$ 2,028.75		\$ 31,894.55		\$ 6,096.00				\$ 204,680.17
5	Landfill Disposal Costs	\$	\$ 77,779.00	\$ 10,129.20	\$		\$ 57,398.80		\$ -				\$ 145,307.00
6	Container Depreciation/ Amortization Costs	\$ 70,101.30	\$ 7,202.00	\$ 2,684.55	\$ 653.08		\$ 15,212.45		\$ 25,835.21				\$ 121,688.59
7	Other: Christmas Trees (Rossmoor), Addition	\$ 35,967.10	\$	\$	\$		\$ -		\$ 18,680.00				\$ 54,647.10
8	Subtotal: Operations Costs	\$ 947,842.37	\$370,423.87	\$ 66,902.40	\$ 90,650.16		\$216,212.20		\$322,618.90				\$ 2,014,649.90
9	Outreach, Education, and Contamination Monitoring	\$ 42,140.00	\$ 12,148.00	\$ 1,723.35	\$ 689.00		\$ 9,765.65		\$ -				\$ 66,466.00
10	General and Administrative	\$ 90,609.90	\$ 2,577.00	\$ 1,465.95	\$ 3,571.38		\$ 8,307.05		\$ 2,342.40				\$ 108,873.68
11	Profit	\$ 79,097.80	\$ 10,292.00	\$ 3,719.10	\$ 1,427.00		\$ 21,074.90		\$ 8,779.51				\$ 124,390.31
12	Franchise Fee (2)	\$ 23,235.00	\$ 8,475.00	\$ 2,220.00	\$ 915.00		\$ 6,885.00		\$ 12,855.00				\$ 54,585.00
13	Other Interest and Income Tax	\$ 53,698.92	\$ 21,556.13	\$ 2,362.80	\$ 17,143.14		\$ 13,389.20		\$ 8,245.99				\$ 116,396.18
14	TOTAL REVENUE REQUIREMENT	\$ 1,236,623.99	\$ 425,472.00	\$ 78,393.60	\$ 114,395.68		\$ 275,634.00		\$ 354,841.80				\$ 2,485,361.07
15	Tons Collected	7,185	2,878	307	555		1,740		2,723				15,388
16	Operations Cost Per Ton Collected	\$ 131.92	\$ 128.71	\$ 217.89	\$ 163.42		\$ 124.26		\$ 118.47				
17	Revenue Requirement per Ton Collected	\$ 172.11	\$ 147.84	\$ 255.31	\$ 206.23		\$ 158.41		\$ 130.31				

- (1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, vehicle insurance, fuel, uniforms, and other route costs.
- (2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company: Universal Waste Systems, Inc.

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)	\$ 372,061.00						\$ 1,309,231.87	\$ 126,659.00				\$ 1,807,951.88
3	Transfer Station, Transport, MRF costs net of recyclable material revenues	\$ 345,330.00						\$ 392,640.00	\$ 40,500.00				\$ 778,470.00
4	Organics Processing Costs	\$ 111,930.00						\$ 429,156.00	\$ 11,400.00				\$ 552,486.00
5	Landfill Disposal Costs	\$ 52,129.44						\$ 489,354.48	\$ 56,165.40				\$ 597,649.32
6	Container Depreciation/ Amortization Costs	\$ 76,180.00						\$ 422,862.00	\$ 25,471.00				\$ 524,513.00
7	Other:												\$ -
8	Subtotal: Operations Costs	\$957,630.44	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,043,244.35	\$260,195.40	\$ -	\$ -	\$ -	\$ 4,261,070.20
9	Outreach, Education, and Contamination Monitoring	\$ 10,438.97						\$ 119,183.21	\$ 3,691.00				\$ 133,313.18
10	General and Administrative	\$ 23,668.80						\$ 151,036.41	\$ 22,382.00				\$ 197,087.21
11	Profit	\$ 82,804.00						\$ 395,263.30	\$ 28,026.00				\$ 506,093.30
12	Franchise Fee (2)	\$ 23,235.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,770.00	\$ 12,855.00	\$ -	\$ -	\$ -	\$ 88,860.00
13	Other												\$ -
14	TOTAL REVENUE REQUIREMENT	\$ 1,097,777.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,761,497.28	\$ 327,149.40	\$ -	\$ -	\$ -	\$ 5,186,423.89
15	Tons Collected	9,216						26,172	2,820				38,208
16	Operations Cost Per Ton Collected	\$ 103.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116.28	\$ 92.27	\$ -	\$ -	\$ -	
17	Revenue Requirement per Ton Collected	\$ 119.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143.72	\$ 116.01	\$ -	\$ -	\$ -	

(1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, vehicle insurance, fuel, uniforms, and other route costs.

(2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company:

WARE DISPOSAL INC.

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)	\$ 278,316.56	\$ 125,629.24	\$ 24,010.41	\$ 41,104.26	\$ 377,352.94	\$ 64,886.25	\$ 1,087,498.64	\$ 254,859.66	\$ 191,867.26	\$ 1,717,165.55	\$ 549,537.19	\$ 4,712,227.97
3	Transfer Station, Transport, MRF costs net of recyclable material revenues	\$ 24,998.40	\$ 7,172.16	\$ 644.80	\$ 922.56	\$ 19,614.32	\$ 6,663.76	\$ 57,611.18	\$ 5,939.60	\$ 12,090.00	\$ 94,698.80	\$ 21,248.64	\$ 251,604.22
4	Organics Processing Costs	\$ 94,913.28	\$ 27,231.07	\$ 3,502.75	\$ 3,502.75	\$ 74,471.14	\$ 25,300.79	\$ 246,463.80	\$ 22,551.32	\$ 12,626.00	\$ 359,549.96	\$ 80,676.29	\$ 950,789.16
5	Landfill Disposal Costs	\$ 182,700.00	\$ 52,417.50	\$ 4,712.50	\$ 6,742.50	\$ 143,350.63	\$ 48,701.88	\$ 454,496.16	\$ 43,409.38	\$ 37,301.25	\$ 692,103.13	\$ 155,295.00	\$ 1,821,229.91
6	Container Depreciation/ Amortization Costs	\$ 73,562.23	\$ 25,155.77	\$ 3,072.09	\$ 1,140.00	\$ 33,818.83	\$ 14,200.46	\$ 203,133.69	\$ 15,000.00	\$ 10,000.00	\$ 303,346.80	\$ 74,284.80	\$ 756,714.66
7	Other: Bulky item collection program	\$ 26,327.24	\$ 6,790.77	\$ 5,456.91	\$ -	\$ 13,943.76	\$ 2,845.89	\$ 147,457.44	\$ -	\$ 2,320.00	\$ 180,063.24	\$ 28,992.95	\$ 414,198.20
8	Subtotal: Operations Costs	\$ 680,817.72	\$ 244,396.51	\$ 41,399.46	\$ 53,412.08	\$ 662,551.62	\$ 162,599.02	\$ 2,196,660.90	\$ 341,759.95	\$ 266,204.51	\$ 3,346,927.47	\$ 910,034.87	\$ 8,906,764.11
9	Outreach, Education, and Contamination Monitoring	\$ 12,610.00	\$ 4,335.00	\$ 1,000.00	\$ 1,500.00	\$ 11,856.00	\$ 3,000.00	\$ 39,238.00	\$ 5,000.00	\$ 1,000.00	\$ 57,241.00	\$ 12,844.00	\$ 149,624.00
10	General and Administrative	\$ 68,082.27	\$ 15,767.74	\$ 3,217.97	\$ 11,792.05	\$ 49,691.87	\$ 9,694.93	\$ 219,666.44	\$ 34,176.00	\$ 19,965.34	\$ 502,039.12	\$ 136,505.23	\$ 1,070,598.96
11	Profit	\$ 119,143.10	\$ 36,659.48	\$ 7,244.90	\$ 13,353.02	\$ 110,264.53	\$ 25,852.83	\$ 381,855.66	\$ 102,527.99	\$ 42,696.79	\$ 582,474.31	\$ 159,256.10	\$ 1,581,328.71
12	Franchise Fee (2)	\$ 23,235.00	\$ 8,475.00	\$ 2,220.00	\$ 915.00	\$ 29,490.00	\$ 6,885.00	\$ 52,770.00	\$ 12,855.00	\$ 3,225.00	\$ 118,230.00	\$ 41,700.00	\$ 300,000.00
13	Other Contingency	\$ 8,028.00	\$ 3,278.00	\$ 1,258.00	\$ 2,500.00	\$ 7,500.00	\$ 3,000.00	\$ 29,670.00	\$ 17,533.00	\$ 2,500.00	\$ 38,812.00	\$ 10,174.00	\$ 124,253.00
14	TOTAL REVENUE REQUIREMENT	\$ 911,916.09	\$ 312,911.73	\$ 56,340.33	\$ 83,472.15	\$ 871,354.02	\$ 211,031.78	\$ 2,919,861.00	\$ 513,851.93	\$ 335,591.64	\$ 4,645,723.89	\$ 1,270,514.20	\$ 12,132,568.77
15	Tons Collected	10,080	2,892	260	372	7,909	2,687	26,175	2,395	1,995	38,185	8,568	101,518
16	Operations Cost Per Ton Collected	\$ 67.54	\$ 84.51	\$ 159.23	\$ 143.58	\$ 83.77	\$ 60.51	\$ 83.92	\$ 142.70	\$ 133.44	\$ 87.65	\$ 106.21	
17	Revenue Requirement per Ton Collected	\$ 90.47	\$ 108.20	\$ 216.69	\$ 224.39	\$ 110.17	\$ 78.54	\$ 111.55	\$ 214.55	\$ 168.22	\$ 121.66	\$ 148.29	

(1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, vehicle insurance, fuel, uniforms, and other route costs.

(2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ANNUAL REVENUE REQUIREMENT BASED ON ESTIMATED CONTAINER MATRIX

Proposing Company: Waste Management Collection & Recycling, Inc

Instructions: Fill in bolded boxes. Confirm accuracy of automatic calculations.

0.29

Row		Franchise Area 1	Franchise Area 2	Franchise Area 3	Franchise Area 4	Franchise Area 5 CA-1	Franchise Area 5 CA-2	Franchise Area 6	Franchise Area 7-A	Franchise Area 7-B	Franchise Area 8	Franchise Area 9	TOTAL ANNUAL REVENUE RQMT
		Rossmoor	Buena Park, Placentia, and Yorba Linda Islands	Orange Islands	Fountain Valley Island	OPA, Canyons and OPA Special Access	El Modena Islands	North Tustin and Musick Facility	John Wayne Airport	Emerald Bay and Laguna Coast Wilderness Park	Coto De Caza/Ladera Ranch/Las Flores	Rancho Mission Viejo	
1	Operations												
2	Truck Operating Costs (1)					\$ 394,667.00		\$ 1,189,000.00		\$ 289,452.00	\$ 2,729,270.00		\$ 4,602,389.00
3	Transfer Station, Transport, MRF costs net of recyclable material revenues					\$ 11,600.00		\$ 87,300.00		\$ 5,600.00	\$ 173,500.00		\$ 278,000.00
4	Organics Processing Costs					\$ 194,200.00		\$ 1,083,427.00		\$ 11,990.00	\$ 757,300.00		\$ 2,046,917.00
5	Landfill Disposal Costs					\$ 171,800.00		\$ 500,760.00		\$ 13,600.00	\$ 625,000.00		\$ 1,311,160.00
6	Container Depreciation/Amortization Costs					\$ 14,730.00		\$ 106,300.00		\$ 8,450.00	\$ 190,500.00		\$ 319,980.00
7	Other: Transformation					\$ 6,100.00		\$ 18,000.00		\$ 6,800.00	\$ 825,000.00		\$ 855,900.00
8	Subtotal: Operations Costs	\$ -	\$ -	\$ -	\$ -	\$ 793,097.00	\$ -	\$ 2,984,787.00	\$ -	\$ 335,892.00	\$ 5,300,570.00	\$ -	\$ 9,414,346.00
9	Outreach, Education, and Contamination Monitoring					\$ 5,200.00		\$ 9,600.00		\$ 3,600.00	\$ 9,600.00		\$ 28,000.00
10	General and Administrative					\$ 12,600.00		\$ 23,400.00		\$ 8,775.00	\$ 23,400.00		\$ 68,175.00
11	Profit					\$ 148,303.00		\$ 541,860.00		\$ 62,028.00	\$ 794,496.00		\$ 1,546,687.00
12	Franchise Fee (2)	\$ -	\$ -	\$ -	\$ -	\$ 29,490.00	\$ -	\$ 52,770.00	\$ -	\$ 3,225.00	\$ 118,230.00	\$ -	\$ 203,715.00
13	Other												\$ -
14	TOTAL REVENUE REQUIREMENT	\$ -	\$ -	\$ -	\$ -	\$ 988,690.00	\$ -	\$ 3,612,417.00	\$ -	\$ 413,520.00	\$ 6,246,296.00	\$ -	\$ 11,260,923.00
15	Tons Collected					8,020		26,849		450	38,213		73,532
16	Operations Cost Per Ton Collected	\$ -	\$ -	\$ -	\$ -	\$ 98.89	\$ -	\$ 111.17	\$ -	\$ 746.43	\$ 138.71	\$ -	
17	Revenue Requirement per Ton Collected	\$ -	\$ -	\$ -	\$ -	\$ 123.28	\$ -	\$ 134.55	\$ -	\$ 918.93	\$ 163.46	\$ -	

(1) Includes driver/helper/supervisor wages and benefits, vehicle depreciation and maintenance, vehicle insurance, fuel, uniforms, and other route costs.

(2) Target franchise fee of \$300,000 per year based on number of residential subscribers and commercial gross receipts from FY 2019-20. See Section 3.3 of the agreement.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

CR&R Incorporated (CR&R)

Franchise Area 1

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES 29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES 38

ARTICLE 5: PROCESSING AND TRANSFER..... 39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL..... 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE 48

 SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 90

ACCEPTED MATERIALS90

APPENDIX 1-E92

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 92

APPENDIX 2-A 105

RATES FOR RESIDENTIAL SERVICE 105

APPENDIX 2-B106

RATES FOR COMMERCIAL SERVICE 106

APPENDIX 2-C 109

RATES FOR OTHER SERVICES..... 109

APPENDIX 3-A 110

EXAMPLE RATE ADJUSTMENT CALCULATION 110

APPENDIX 3-B111

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 111

APPENDIX 4..... 108

IMPLEMENTATION AND COMPLIANCE PLAN108

APPENDIX 5 114

OUTREACH AND EDUCATION PLAN.....114

APPENDIX 6 115

RECORD KEEPING AND REPORTING 115

APPENDIX 7 124

FRANCHISE AREA SPECIFIC PROGRAMS..... 124

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and CR&R Incorporated (CR&R) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 1 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016 and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 1; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA, which is owned and operated by CR&R, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA or South County C&D MRF at 31643 Ortega Highway, San Juan Capistrano, CA, which are owned and operated by CR&R, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to CR&R, Inc. and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 1, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 1, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 1 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 1, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D).

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

- (4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.
- (5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.
- (6) Information regarding programs for donation of Edible Food.
- (7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.
- (8) Information regarding Self-Hauling requirements.
- (9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.
- (O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.
 - (1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.
 - (2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.
- (P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.
- (Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou, email=Paul.Albarian@coco.ocgov.com,
c=US

By: _____

Date: 2021.05.11 12:34:45 -0700'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Multi-Family and Commercial Service
- C) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 7

Franchise Area Specific Programs

APPENDIX 1-A

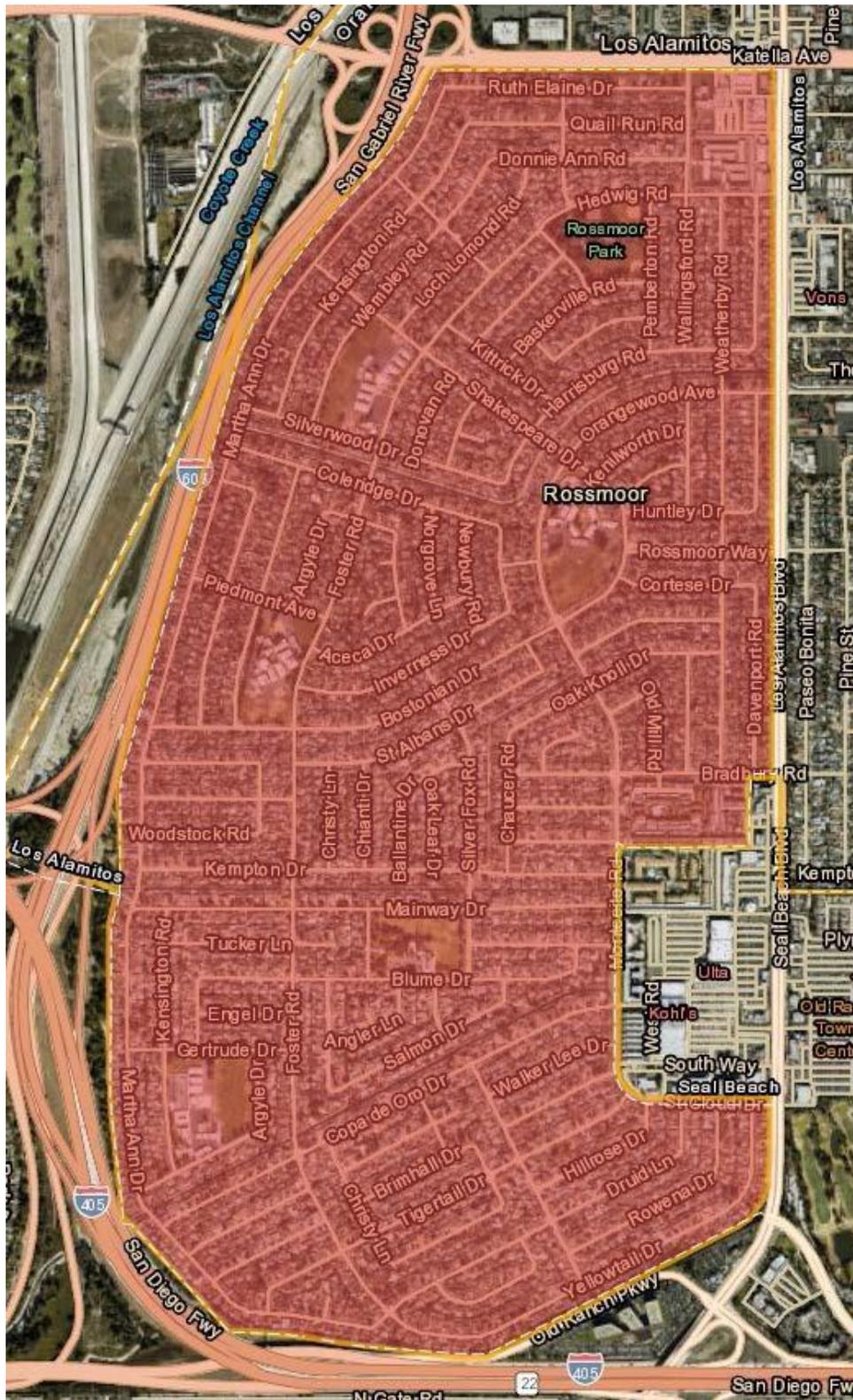
MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAP OF FRANCHISE AREA



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

The carts provided by CR&R shall meet all of the design and performance requirements specified in the agreement and comply with SB 1383 regulations.

CR&R proposes the use of Toter (or similar manufacturer) for the use of carts for curbside residential services and as needed for commercial and multi-family service.

Carts are manufactured using medium density polyethylene with the advanced rotational molding process. Rotational molding provides superior strength-to-weight ratio not found in standard injection-molded carts and boast the industry’s lowest warranty claim rate.

Automated Cart Specifications

35 Gallon	Approximately 25” deep x 20” wide x 39” tall Load Rating: 112 lbs. Wheel Diameter: 10”
65 Gallon	Approximately 32” deep x 25” wide x 42” tall Load Rating: 224 lbs. Wheel Diameter: 10”
95 Gallon	Approximately 35” deep x 29” wide x 43” tall Load Rating: 335 lbs. Wheel Diameter: 10”

Cart Load Capacity - Depending on the capacity, the Carts shall have a minimum load capacity as noted below without container distortion, damage, or reduction in maneuverability or any other functions as required herein.

<u>Cart Size (Gallons)</u>	<u>Minimum Load Capacity (LBS)</u>
90-100	200
60-70	130
32-35	70

Cart Color Identification

Carts bodies will be Granite Gray, with different color lids to designate the appropriate material placement: black lids for material to be disposed at the landfill, green lids for organic material and blue lids for recyclable material. Lid colors and labeling will comply with requirements of SB 1383 and be consistent in each permit area.

The following is an image of the proposed cart lids:



Bin Color Identification

Refuse bins will be painted a uniform color of blue with corresponding black lid. Recycling and organics bins are painted a different uniform color with corresponding lids color.

**APPENDIX 1-D
ACCEPTED MATERIALS**

Residential Recycling Program will include the following materials:

Glass	Food and beverage bottles, glass jars and bottles, house windows, liquor, soda and juice bottles, tempered glass, Pyrex
Plastic	PET: soft drink bottles, photo film canisters HDPE: detergent containers, plastic water/milk containers, pails PVC: sprinkler pipe LDPE: trash can liners, shrink wrap, grocery bags PP: yogurt containers, luggage, drinking straws PS: plastic plates, cups, egg cartons, food trays Other: mixed plastic containers, plastic toys
Metal	Empty aerosol cans, metal coat hangers, aluminum cans, tin cans, food and juice jars, empty paint cans, metal foil, lawn furniture
Paper	White paper, colored paper, envelopes, junk mail, phone books, magazines and other soft cover books/manuals, glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper
Cardboard	Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons

Commercial Recycling Program will include the following materials:

Glass	Empty glass beverage containers, empty glass food containers, all glass colors
Metal	Aluminum cans, tin cans
Plastics	Drink bottles, detergent containers, plastic toys, milk containers
Paper	White paper, colored paper, magazines, phone books, newspaper, milk or juice cartons
Cardboard	Cardboard, chipboard/boxboard

Accepted Organic Materials include the following required by CalRecycle for Residential Cart Customers.

Yard Waste	Loose green material from the yard, grass clippings, leaves, weeds, tree and bush prunings, material, vineyard clippings, and tree trunks/stumps/branches 3” or less in diameter
Food Waste	All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials
Compostable Materials	Soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, single use PLA cups, single serve coffee brewing cups and other plant-based utensils; paper take-out boxes and containers, greasy pizza boxes, paper bags and cardboard, and ASTM D6400 biodegradable food service ware designed to disintegrate and biodegrade quickly

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Facility / Address / SWIS #	Owner / Operator	Materials Transported, Processed or Landfilled:
CR Transfer 11232 Knott Avenue, Stanton, CA SWIS#: 30-AB-0013 C&D 30-AB-0462 Green 30-AB-0463	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Mixed solid waste, Commingle Recyclables, Construction and Demolition Materials
CR&R Recycling (Western) Stanton, CA 90680 SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Commingled Recyclables
CR&R Anaerobic Digestion Facility 1706 Goetz, Perris, CA 92570 SWIS#: 33-AA-0239	Owned and operated by CR&R	Residential Green Waste and Food Waste
South Yuma County Landfill 19536 South Avenue 1E, Yuma, AZ SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Green Waste and Food Waste
CR&R EMSW Facility 1706 Goetz, Perris, CA 92570 SWIS#:33-AA-0239	Owned and operated by CR&R	Residual from Commingled Recyclables
South County C&D MRF 31643 Ortega Hwy, San Juan Capistrano, CA SWIS#: 30-AB-0395	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Construction and Demolition Materials

DESIGNATED FACILITIES:**Disposal Facilities (Gray Container Waste and Residual Waste):**

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service

obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facility(ies) and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H. FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

I. NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this

Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

L. APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract

agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH:

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce

Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS (ORGANICS IN GRAY CONTAINER):

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X.PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z.MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

CR&R
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 1

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 1
		Rossmoor
1	Basic Service - # of Accts (1)	\$ 20.95
2	Senior Discount - 10%	\$ 18.86
3	Extra Recycling Cart - # of Carts	\$ 3.67
4	Extra Organics Cart - # of Carts	\$ 7.05
5	Extra Waste Cart - # of Carts	\$ 7.53
6	Extra Bulky Item Pickup Above 3 per Year	\$ 32.38
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 32.38
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR MULTI- FAMILY AND COMMERCIAL**

**MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 1**

Monthly Customer Rates*

Row	Service Level	Franchise Area 1
		Rossmoor
	65-Gallon Organics Cart	
1	1x/week	\$ 158.10
2	2x/week	\$ 292.49
3	3x/week	\$ 416.80
	Any Size Refuse Cart	
4	1x/week	\$ 102.63
5	2x/week	\$ 189.86
6	3x/week	\$ 270.56
7	4x/week	\$ 347.21
8	5x/week	\$ 421.00
9	6x/week	\$ 492.57
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

CR&R
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 1

Monthly Rates*

Row	Service Level	Franchise Area 1
		Rossmoor
2 CY Refuse Bin		
1	1x/week	\$ 151.64
2	2x/week	\$ 280.53
3	3x/week	\$ 399.76
4	4x/week	\$ 513.02
5	5x/week	\$ 622.04
6	6x/week	\$ 727.78
7	Extra Pickup	\$ 75.82
3 CY Refuse Bin		
8	1x/week	\$ 162.47
9	2x/week	\$ 300.57
10	3x/week	\$ 428.31
11	4x/week	\$ 549.66
12	5x/week	\$ 666.47
13	6x/week	\$ 779.77
14	Extra Pickup	\$ 81.23
4 CY Refuse Bin		
15	1x/week	\$ 173.30
16	2x/week	\$ 320.61
17	3x/week	\$ 456.86
18	4x/week	\$ 586.31
19	5x/week	\$ 710.90
20	6x/week	\$ 831.75
21	Extra Pickup	\$ 86.65
Locked 3 CY Refuse Bin		
22	1x/week	\$ 187.47
23	2x/week	\$ 346.82
24	3x/week	\$ 494.22
25	4x/week	\$ 634.24
26	5x/week	\$ 769.02
27	6x/week	\$ 899.75
28	Extra Pickup	\$ 93.73
Locked 4 CY Refuse Bin		
29	1x/week	\$ 198.30
30	2x/week	\$ 366.86
31	3x/week	\$ 522.77
32	4x/week	\$ 670.89
33	5x/week	\$ 813.45
34	6x/week	\$ 951.74
35	Extra Pickup	\$ 99.15
2 CY Organics Bin		
36	1x/week	\$ 203.58
37	2x/week	\$ 376.62
38	3x/week	\$ 536.69
39	4x/week	\$ 688.75
40	5x/week	\$ 835.11
41	6x/week	\$ 977.08
42	Extra Pickup	\$ 101.79
Manure Collection		
43	Specify Container Size: 2 CY	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 1**

Monthly Customer Rates*

Row	Service Level	Franchise Area 1
		Rossmoor
	65-Gallon Organics Cart	
1	1x/week	\$ 158.10
2	2x/week	\$ 292.49
3	3x/week	\$ 416.80
	Any Size Refuse Cart	
4	1x/week	\$ 102.63
5	2x/week	\$ 189.86
6	3x/week	\$ 270.56
7	4x/week	\$ 347.21
8	5x/week	\$ 421.00
9	6x/week	\$ 492.57
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

CR&R
 ROLL-OFF CONTAINER RATES
 FRANCHISE AREA 1

Customer Rates

Row	Service Level	Franchise Area 1
		Rossmoor
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 493.00
2	Over 40 CY Roll-Off	\$ 493.00
3	21-30 CY Compactor	\$ 565.90

CR&R
 RATES FOR OTHER SERVICES
 FRANCHISE AREA 1

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 1
		Rossmoor
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 70.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												

Average 252.455

Change in CPI 0.0154

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
 Annual Exclusive Franchise Fee Adjustment
 Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	-------

Franchise Fee

Effective
 1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee

Effective
 1-Jul-2021

(A) + (B) =

\$307,267.88

CPI for All Urban Consumers (CPI-U)

Original Data Value

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
 2.42%

IMPLEMENTATION AND COMPLIANCE PLAN

COUNTY OF ORANGE IMPLEMENTATION PLAN OF ACTION (IPOA)											
Programs and Tasks	Agency Responsible	Year: 2021									
		March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Franchise Approval	County			X							
1. Asset Purchases											
Vehicles Ordered	CR&R		X								
Residential Containers Ordered	CR&R		X								
Negotiate Existing Container Deal w/ Incumbent Hauler(s)	CR&R			X	X						
Commercial Bins Ordered	CR&R		X								
Order Container and Bin Decals	CR&R			X							
2. Brochures and Outreach											
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County			X	X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Recycling Guide and outreach items	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X	X			
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X	X					
County Specific Website Pages for County approval	CR&R			X	X	X					
Commence Recycling Outreach & Field Surveys	CR&R			X	X	X	X				
Community workshops	CR&R			X	X	X					
Quarterly Newsletters	CR&R									X	
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X					X
3. Customer Information											
Preliminary Review of Existing Customer Data Base	CR&R			X	X						
Identify Multiple-cart customers and contact as needed	CR&R			X	X	X					
Route Sheets reviewed and revised	CR&R			X	X						
Customer Data Base Updated with Route #'s	CR&R				X						
Multi-Family Customers Identified and Routed	CR&R				X						
Commercial Field Surveys start/finish	CR&R			X	X	X					
4. Start-Up											
County Staff meeting(s)	County & CR&R	X	X	X	X	X	X	X	X	X	X
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained (as needed)	CR&R			X	X						
Driver Interviews and Offers (as needed)	CR&R			X	X						
Driver Training (as needed)	CR&R			X	X						
CSR Manual Completed	CR&R			X	X						
Route Supervisor(s) identified	CR&R			X	X						
Residential Container and Kitchen Pail deliveries (as needed)	CR&R				X						
Commercial Bin deliveries (as needed)	CR&R				X						
Commence Service	CR&R					X					
Residential Commingled Characterization Studies	CR&R									X	
Commercial MSW Characterization Studies	CR&R									X	
Roll-off MSW Permanent Characterization Studies	CR&R									X	
Commercial Organics Characterization Studies	CR&R									X	
Roll-off C&D Characterization Studies	CR&R									X	

OUTREACH AND EDUCATION PLAN

APPENDIX 5 - Outreach & Education Plan											
COUNTY OF ORANGE PUBLIC OUTREACH & EDUCATION PLAN											
Tasks	Agency Responsible	Year:2021									
		Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Award of Contract	County			X							
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained	CR&R			X	X						
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County				X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Brochures	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X				
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X						
County Specific Website Pages for County approval	CR&R			X	X						
Commence Recycling Outreach & Field Surveys	CR&R			X	X						
Community workshops	CR&R			X	X						
Quarterly Newsletters	CR&R								X		
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X				X	

RECORD KEEPING AND REPORTING

A. GENERAL

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

APPENDIX 7

FRANCHISE AREA SPECIFIC PROGRAMS

A. ANNUAL SHREDDING EVENT

Franchisee shall conduct a shredding event annually at no additional charge.

B. RESIDENTIAL COMPOST GIVEAWAY

Franchisee shall conduct a compost give-away event annually at no additional charge. Compost will be pre-bagged in one-yard bags or mutually agreed upon by the County and Franchisee.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

**Republic Waste Services of Southern California,
LLC.**

Franchise Area 2

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE..... 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES 29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES..... 38

ARTICLE 5: PROCESSING AND TRANSFER..... 39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE’S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL..... 46

 SECTION 6.1. SOLID WASTE DISPOSAL..... 46

ARTICLE 7: COMPLIANCE 48

 SECTION 7.1. THE FRANCHISEE’S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS..... 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAPS OF FRANCHISE AREA86

APPENDIX 1-C 89

CONTAINER SPECIFICATIONS 89

APPENDIX 1-D 90

ACCEPTED MATERIALS90

APPENDIX 1-E91

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 91

APPENDIX 2-A 105

RATES FOR RESIDENTIAL SERVICE 105

APPENDIX 2-B106

RATES FOR COMMERCIAL SERVICE 106

APPENDIX 2-C 108

RATES FOR OTHER SERVICES..... 108

APPENDIX 3-A 109

EXAMPLE RATE ADJUSTMENT CALCULATION 109

APPENDIX 3-B110

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 110

APPENDIX 4 112

IMPLEMENTATION AND COMPLIANCE PLAN..... 112

APPENDIX 5 113

OUTREACH AND EDUCATION PLAN..... 113

APPENDIX 6 117

RECORD KEEPING AND REPORTING 117

APPENDIX 7 126

FRANCHISE AREA SPECIFIC PROGRAMS..... 126

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Republic Waste Services of Southern California, LLC. (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 2 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 2; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are High Diversion Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are Organic Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Facilities listed in Appendix 1-E, which are Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CVT Regional Materials Facility at 277 E. Gretta Lane, Anaheim, CA 92806, and Rainbow Disposal Co., Inc., at 17121 Nichols Lane, Huntington Beach, CA 92647, which are owned and operated by Republic, that are Transfer Facilities and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded

Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal, and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public

health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for

Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Republic Waste Services of Southern California, LLC. and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar

year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public,

nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased,

managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in

Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them

to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner's employee, property manager, or property manager's employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

"Source Separated Blue Container Organic Waste" or "SSBCOW" means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

"Source Separated Green Container Organic Waste" or "SSGCOW" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

"Source-Separated Recyclable Materials" means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

"Special Circumstance" means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

"Special Service" means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. "Special Service" does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

"SRRE" means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

"Tax" means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or

similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;

(2) A Change in Law (as defined herein);

(3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.

(4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

(a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;

(b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;

(c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;

(d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;

(e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;

(f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;

(g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;

(h) Vehicle or equipment failure; or

(i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not

applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 2, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 2, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 2 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 2, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL**SECTION 6.1. SOLID WASTE DISPOSAL.**

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou, email=Paul.Albarian@coco.ocgov.com,
c=US

By: _____

Date: 2021.05.11.12:36:32 -07'00'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Maps of Franchise Areas
- C) Container Specifications.
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Special Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 7

Franchise Area Specific Programs

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY

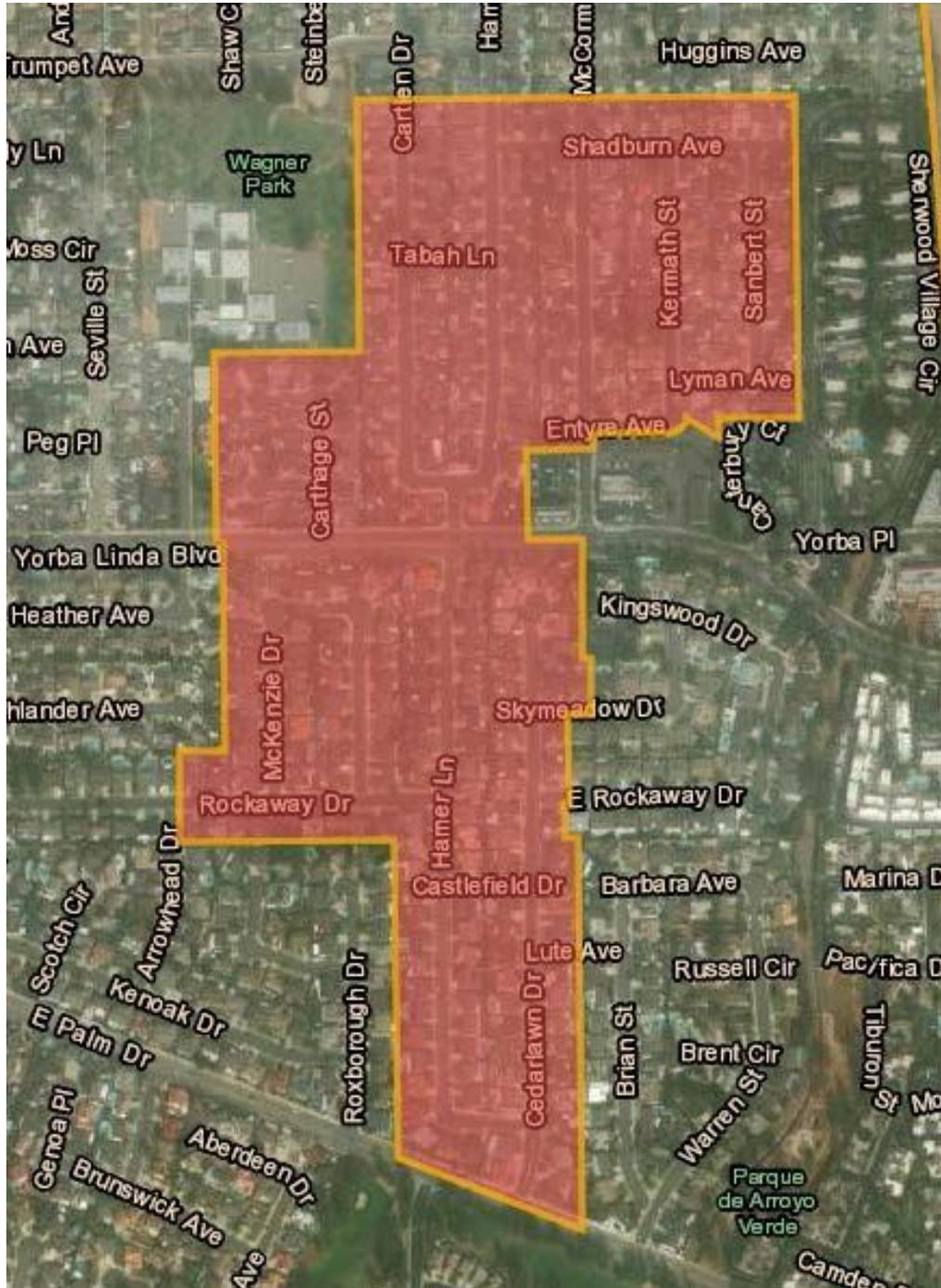


<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

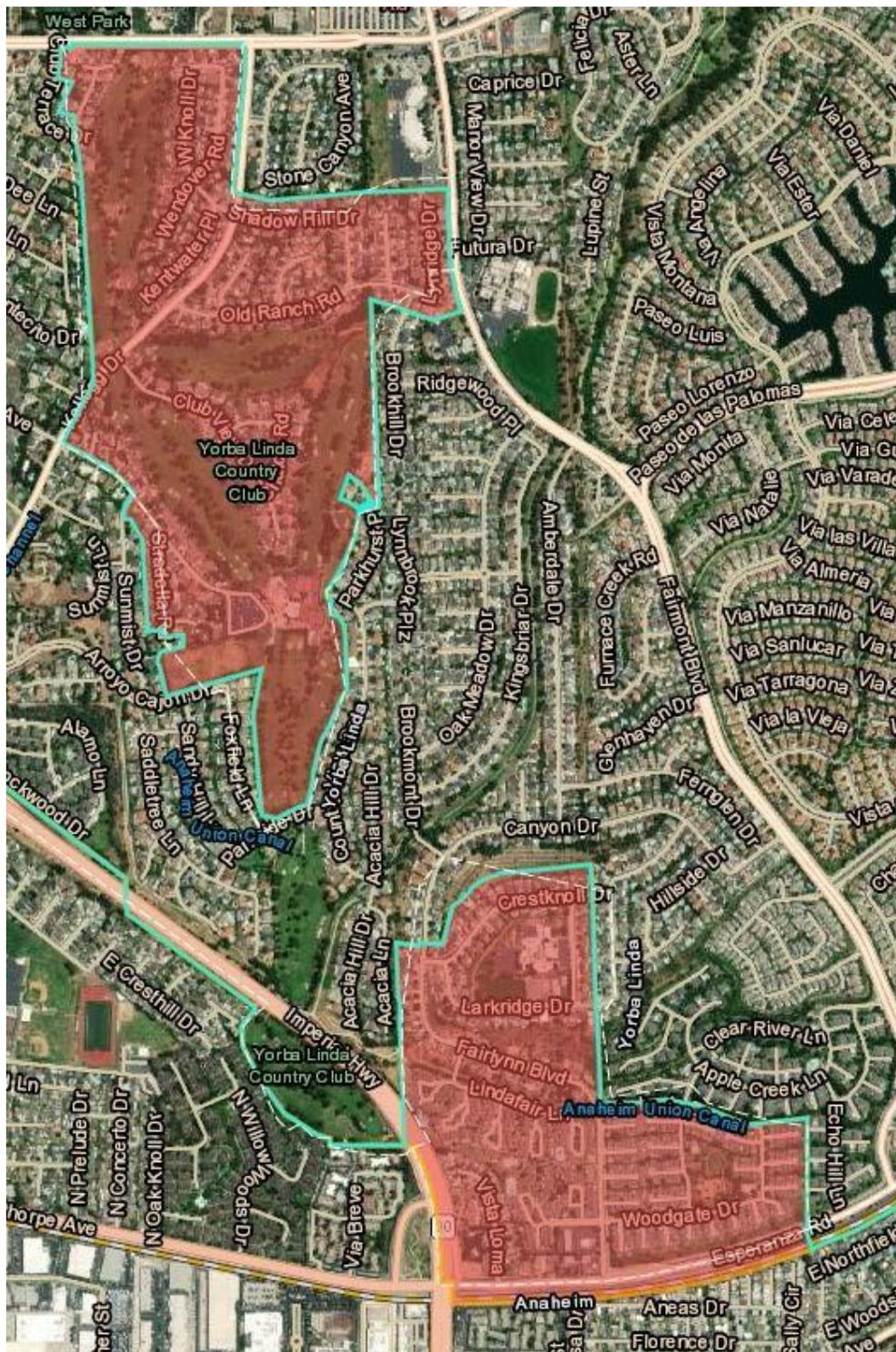
APPENDIX 1-B

MAPS OF FRANCHISE AREA

Placentia Island:



Yorba Linda Islands:



Buena Park Island:



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement. Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

Residents will receive wheeled carts of 35-, 65- or 95-gallon capacity for three different commodity types. Republic Services will provide bins and carts that will be compliant with the following SB 1383 requirements by 2037:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

Commercial customers will receive wheeled bins of 1-4CY for MSW and Recycling. They will have the option to receive a 2CY or less bin or a 65-gallon cart for organics. Bin and color scheme will be compliant with SB 1383 requirements:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

**APPENDIX 1-D
ACCEPTED MATERIALS**

List of all acceptable items for each cart:

a. Green Cart Accepted Items (food waste and green waste) Please note that food waste will be accepted in residential carts starting in January 2022 .

- i. Fruit
- ii. Vegetables
- iii. Bread, cheese & pastries
- iv. Pasta, grains, rice & beans
- v. Meat, poultry, seafood & shellfish
- vi. Bones & Eggs
- vii. Yard & Garden Waste

b. Blue Cart Accepted Items (Fiber plus non-organic recyclables)

- i. Aluminum Cans
- ii. Plastic bottles
- iii. Newspapers
- iv. Cereal boxes
- v. Paper bags
- vi. . Magazines
- vii. Plastic milk containers
- viii. Tin Cans
- ix. Mixed Paper
- x. Cardboard boxes
- xi. Glass bottles/jars (any color)
- xii. Telephone books
- xiii. Juice cans
- xiv. mail

c. Black/Gray Cart Accepted Items

- i. MSW
- ii. Plastic Bags & Film
- iii. Paper plates
- iv. Paper cups & utensils

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Transfer Facilities

Facility Name	Location	Relationship
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

Processing Facilities

Facility Name	Location	Relationship	Material Processed
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane Anaheim CA 92806	Republic Owned	Source Separated Recyclables, C&D, Single Stream Recycling
Copper Mountain Landfill Compost Facility ADEQ Approval No. 14003400.113	34853 East County 12th St Wellton, AZ 85356	Republic Owned	Yard Waste/Food Waste
Kochergen Farms Composting SWIS# 16-AA-0022	Avenal Cutoff Rd & Omaha Ave Avenal, CA 92304	Republic Partnership	Yard Waste/Food Waste
Circle Green SWIS# 36-AA-0500	17900 Sheep Creek Rd Phelan, CA 92371	Republic Partnership	Yard Waste/Food Waste
Agromin OC Chino Green Mat. Composting SWIS# 36-AA-0476	8100 Chino Corona Rd. Chino, CA 92880	Republic Partnership	Yard Waste/Food Waste
Recology Blossum Valley Organics SWIS# 15-AA-0307	6061 North Wheeler Ridge Road Lamont, CA	Republic Partnership	Yard Waste/Food Waste
Anaergia - Rialto Bio-Energy Facility SWIS# 36-AA-0446	503 East Santa Ana Ave Rialto, CA 92316	Republic Partnership	Source Separated Organics (Food Waste)

Operating Facilities

Facility Name	Location - Yard	Location - Support
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D. FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container

Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H.FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

L.NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14

CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a “Designated Source Separated Organic Waste Processing Facility” pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility’s Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County’s final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be “unavailable” if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be “unavailable” if the lack of availability of the Facility is not due to Franchisee’s negligence, illegal activity, neglect, or willful misconduct. At County’s request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County’s participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee’s

operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

N.INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

IIINFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

OS PARATE HANDLING REOUREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.

3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.S.SGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16),

demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
- d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
- e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
- f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
- g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground

“overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.

5. Limits on Incompatible Materials in Recovered Organic Waste

- a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
- b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
- c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section 17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA.DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the

County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.
- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following "evaluations" at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic

Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).

- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

REPUBLIC SERVICES
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 2

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 2
		Buena Park, Placentia, and Yorba Linda Islands
1	Basic Service - # of Accts (1)	\$ 25.98
2	Senior Discount - 10%	\$ 23.38
3	Extra Recycling Cart - # of Carts	\$ 6.08
4	Extra Organics Cart - # of Carts	\$ 3.89
5	Extra Waste Cart - # of Carts	\$ 3.53
6	Extra Bulky Item Pickup Above 3 per Year	\$ 75.00
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 75.00
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**REPUBLIC SERVICES
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 2**

Monthly Rates*

Row	Service Level	Franchise Area 2
		Duena Park, Placentia, and Yorba Linda Islands
2 CY Refuse Bin		
1	1x/week	\$ 158.02
2	2x/week	\$ 226.25
3	3x/week	\$ 294.72
4	4x/week	\$ 363.29
5	5x/week	\$ 431.16
6	6x/week	\$ 494.97
7	Extra Pickup	\$ 374.63
3 CY Refuse Bin		
8	1x/week	\$ 184.33
9	2x/week	\$ 273.52
10	3x/week	\$ 362.75
11	4x/week	\$ 451.99
12	5x/week	\$ 540.38
13	6x/week	\$ 623.62
14	Extra Pickup	\$ 392.96
4 CY Refuse Bin		
15	1x/week	\$ 216.84
16	2x/week	\$ 328.49
17	3x/week	\$ 440.07
18	4x/week	\$ 551.69
19	5x/week	\$ 662.15
20	6x/week	\$ 766.23
21	Extra Pickup	\$ 429.68
Locked 3 CY Refuse Bin		
22	1x/week	\$ 209.33
23	2x/week	\$ 298.52
24	3x/week	\$ 387.75
25	4x/week	\$ 476.99
26	5x/week	\$ 565.38
27	6x/week	\$ 648.62
28	Extra Pickup	\$ 417.96
Locked 4 CY Refuse Bin		
29	1x/week	\$ 241.84
30	2x/week	\$ 353.49
31	3x/week	\$ 465.07
32	4x/week	\$ 576.69
33	5x/week	\$ 687.15
34	6x/week	\$ 791.23
35	Extra Pickup	\$ 454.68
2 CY Organics Bin		
36	1x/week	\$ 147.96
37	2x/week	\$ 211.85
38	3x/week	\$ 273.63
39	4x/week	\$ 335.45
40	5x/week	\$ 397.29
41	6x/week	\$ 459.09
42	Extra Pickup	\$ 187.46
Manure Collection		
43	Specify Container Size: _____	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**REPUBLIC SERVICES
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 2**

Monthly Customer Rates*

Row	Service Level	Franchise Area 2
		Buena Park, Placentia, and Yorba Linda Islands
	65-Gallon Organics Cart	
1	1x/week	\$ 75.00
2	2x/week	\$ 113.20
3	3x/week	\$ 158.48
	Any Size Refuse Cart	
4	1x/week	\$ 59.92
5	2x/week	\$ 83.88
6	3x/week	\$ 117.44
7	4x/week	\$ 164.41
8	5x/week	\$ 230.18
9	6x/week	\$ 322.25
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR SPECIAL SERVICES

REPUBLIC SERVICES
 ROLL-OFF CONTAINER RATES
 FRANCHISE AREA 2

Customer Rates

Row	Service Level	Franchise Area 2
		Buena Park, Placentia, and Yorba Linda Islands
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 531.25
2	Over 40 CY Roll-Off	\$ 514.61
3	21-30 CY Compactor	\$ 672.17

REPUBLIC SERVICES
 RATES FOR OTHER SERVICES
 FRANCHISE AREA 2

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 2
		Buena Park, Placentia, and Yorba Linda Islands
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 45.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												

Average 252.455

Change in CPI 0.0154

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
Annual Exclusive Franchise Fee Adjustment
Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	--------------

Franchise Fee
Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee
Effective
1-Jul-2021

(A) + (B) = **\$307,267.88**

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
2.42%

APPENDIX 4**IMPLEMENTATION AND COMPLIANCE PLAN**

1. Confirm Implementation Team
 - a. Our municipal managers will administer the franchise and act as liaisons to the County. Specific duties include working with County staff regarding contract administration, compliance and implementation.
2. Conduct Initial Scoping Session
 - a. Key transition team members will meet to review and outline all program requirements with County decision makers. The team will outline program objectives, key contractual requirements, timelines, and important milestones, as well as to assign specific responsibilities related thereto.
3. Discuss Procurement
 - a. Republic Services already has the vehicles needed to service the County.
 - b. Containers for residential and commercial customers are already deployed in the service area. Labeling of containers with accepted material type will be completed within the SB 1383 timeline. Operationally, color-compliant carts and containers will be delivered to all customers according to SB1383 requirements and timeline.
4. Develop Routes
 - a. Our Operations Managers in Huntington Beach and Anaheim are responsible for the management of our current operations for the County. Our operations team has already taken safety hazards, security access, and geography into consideration to develop route structures and sheets. The team is constantly reviewing routes to improve efficiencies and put safety first.
5. Provide Community Communication and Education:
 - a. Site Visits: Republic's has recycling coordinators, who will be responsible for outreach, education, and completing assessments to establish proper recycling service levels. Commercial customers will be broken down into two-segments: multi-family and commercial businesses. Each commercial and multi-family customer will receive a tailored site assessment to establish services levels, container needs, and space restrictions.
 - b. Targeted Outreach: Initial outreach to AB341 and AB 1826 non-compliant Commercial and Multi-family customers will be emphasized to increase participation and diversion. SB 1383 compliance will be achieved through robust education and outreach.
 - c. Marketing Collateral: Republic has a full marketing department creating and producing materials for the program. We will roll out an initial mailer to describe the new programs followed by an annual newsletter. Newsletters and mailers will be provided to each residence describing what material type can be placed in which containers.
6. Ongoing Compliance
 - a. Residential Three-cart System: Residential compliance with existing and emergent regulations is gained primarily through a three-cart system and the distribution of new carts that are appropriately colored and labeled, as well as the inclusion of food waste with yard waste in the green/organics cart.
 - b. Tracking: Customer data will be collected through a combination of interactive applications, Republic's website, toll free and local numbers for customers, the Company's waste representatives, and mail-back programs.
 - c. Driver Feedback: We will use collection drivers' notes on contamination levels to identify potential training opportunities and provide businesses easy tips and pointers to reduce contamination.
 - d. Route Reviews and Audits: The results of the reviews and audits will be collected in a central data base and be made available to the County of Orange for reporting purposes. Out of compliance customers will be provided with additional education materials.
 - e. Reporting: Republic Services provides annual reporting as required by SB 1383.

APPENDIX 5

OUTREACH AND EDUCATION PLAN

Implementation of SB1383 will require a comprehensive education and outreach program. Republic supplies the necessary tools (proper containers) and resources (educational outreach, customer access to information, technical assistance and training) to its customers. We also perform monitoring activities and provide reporting.

Our Commercial Approach

Our Huntington Beach and Anaheim Divisions already service multifamily and commercial businesses in the Unincorporated Franchise Areas 2 (Yorba Linda, Placentia and Buena Park), 4 (Fountain Valley) and 7-A (John Wayne Airport). We will provide the following services to meet legislative requirements for AB 939, AB 341, AB 1826, and SB 1383:

1. Field Staff: Customer engagement and diversion objectives will be the ongoing focus of Republic's recycling coordinators who will be charged with spending time in the field working with customers. This approach will assist the County in its move towards zero waste by:
 - a. Increasing recycling participation rates from program outset and improving them over the term of the Agreement through a focused understanding of the operations of various business types and create internal programs that shape external results.
 - b. Ensuring communications, outreach, training, and education regarding zero waste, waste reduction and prevention, reuse, and recycling are easy to understand.
 - c. Create a sustainable program to support its customers in making logistical decisions concerning management of discarded materials from the time the Agreement is signed through the entire term to achieve and sustain program momentum and results.
2. Initial Site Visits and Assessments: Recycling Coordinators will target businesses that generate a high volume of organics material and will work in phases to maximize business participation and recycling performance.
 - d. Businesses will receive an introductory letter describing the organics program, state regulations, and need for compliance/ implementation.
 - e. During the initial site visit, our recycling coordinators will recommend an organics collection service level and formalize next steps for cart or container delivery and service implementation. When performing the site visit, the recycling coordinator will assess businesses on a case-by-case basis to create an individualized program that is tailored to each business. They will use an audit form to accumulate all data from site visits and provides a brief summary report that can be provided to the customer.
 - f. For sit-down restaurants, outreach staff will focus on back-of-house collection and help train kitchen staff, bussers, and dishwasher staff to place materials in the correct container.
 - g. For cafeterias, and fast-food style restaurants, our staff will address both back-of house and front-of-house collection to see if there are opportunities for adding proper signage or additional containers, as well as if the business could use compostable products to help prevent contamination.
 - a. Following up with onsite business contacts in a timely manner is essential when launching a new collection service. After the containers are delivered and all training has been performed, the recycling coordinator will follow up with the business manager to review progress and provide additional educational support or resources as needed, including photos of contamination if applicable.
3. Multi-Family Education: Includes presentations and handouts on the importance of sorting properly and describing what materials go where.
 - a. Multi-Family Service Guide
 - b. Collection Point Posters
 - c. Meetings with Property Manager
4. Commercial Education: Compliance with State regulations will be the focus for this program along with maintaining clean recycling loads.
 - a. Commercial Service Guide: Contains information on proper sorting for trash, recycle, organics, as well as additional services available for proper disposal of hazardous material, hard-to-recycle material, and large project waste solutions.

- b. Posters, Stickers, Flyers
 - c. Organics educational materials will highlight specific materials accepted in the program, such as clean food scraps, green waste, approved compostable paper products including cutlery and service-ware.
 - d. Commercial Newsletter: Prepared and distributed on an annual basis.
 - e. Waste Audits and Recycling Technical Assistance.
 - f. Presentations to Business Organizations.
 - g. Special Events: Republic will arrange for and staff a booth or table at County events to promote and distribute educational materials to promote source reduction, reuse, recycling, and composting, and to answer questions about collection services.
5. Monitoring: Republic will review lists of affected generators to ensure they are subscribing to and participating in the commercial programs. We will also identify and notify businesses that are not in compliance, as well as provide the proper technical assistance to ensure they have recycling and comply with the ordinance. All customer interactions and results will be tracked in a database.
 6. Corrective Action Notices (Oops Tags): Increase the resolution of contamination issues by notifying customers in writing with a corrective action notice, declining to service contaminated containers, and imposing charges to customers for excessive contamination.
 7. Reporting: Our team will be assigned to work within the County. Data will be handled through our internal systems and shared with the County.
 8. Enforcement: Republic will identify businesses that are out of compliance and provide technical assistance efforts to recycle. If the business chooses not to comply, Republic will work with the County to develop appropriate solutions and potential enforcement to maintain and increase diversion and compliance over the contract term. Commercial businesses will be required to participate in recycling programs to support AB341 and AB1826. Staff will work with the businesses to right size their disposal.
 9. Commercial and Multi-Family Compliance: Compliance is gained through personalized outreach and recycling technical assistance to optimize recycling and service levels generally, and the implementation of a properly signed and colored three-container system. Republic will offer solid waste, recycling, and organic collection services with a variety of container sizes and service frequencies to meet multi-family and commercial community needs, up to six days per week. Collections in the following container sizes: 35, 65, and 95-gallon cart; 2 to 3 cu. yards bins, and 10, 30, and 40 cu. yard roll off boxes; and 15, 20, 30, and 40 cu. yard roll off compactor receiver boxes for recyclable materials, trash, and green waste.
 10. Ongoing Support: Republic recognizes that to maintain a successful organics collection program, it is essential to provide ongoing feedback and assistance. Therefore, Republic will contact commercial organics participants annually thereafter or as needed to address staff turnover and provide educational refreshers. Additionally, all outreach materials will be readily accessible on Republic's Orange County unincorporated website.

Our Single Family Approach

Republic Services recognizes the importance of aligning outreach plans and goals with the County of Orange to increase diversion and support the County's diversion goals for single family residents as well. Below is a list of tasks that Republic Services will accomplish to meet these goals.

1. Field Staff: Republic's recycling coordinators will be charged with spending time coordinating single family education and outreach activities as listed below.
2. Single Family Education and Outreach
 - a. Residential Services Guide: Outlines proper sorting of material for disposal with both text and images, proper handling of universal and hazardous wastes, proper cart set-out procedures collection schedule, holiday collection schedule, and additional resources for customers.
 - b. Residential Newsletters: Annually distributed to inform residents about collection and waste reduction programs and as well as educational and topical issues.
 - c. Community Event Notifications: Promoting seasonal community events, including neighborhood clean-up events, Christmas tree collection, and other collection events.
 - d. Educational presentations to homeowner associations/HOA
 - e. Posters and Informational Displays: Posters may be made available to post at local venues and community meeting places, such as libraries and community centers, to help educate public on collection and diversion initiatives.
3. Ongoing Outreach
 - a. Community/Compost Workshops: Republic will attend community workshops as an invited guest to promote and explain the collection and diversion programs.

- b. Community Events: Republic will be involved in the community through County-sponsored, civic, and business events and activities.
 - c. School Education Programs: Available online with K-12 curriculum.
 - d. Website: Available 24/7 on the web.
 - i. Republic Services website: Users can enter their address in order to receive information specific to them, including detailed explanation of programs and services available, and the ability to schedule pick-up, change service, or to identify the correct contact person within Republic Services for services requests.
 - ii. County Specific website: The website will be built and maintained specifically for the County of Orange, where County-specific content will be available, including a description of general services provided, Republic contact information, and hours of operation. The website will link to the County's webpage.
 - iii. Recycling Simplified website: Information and informative videos by material type are posted at RecyclingSimplified.com, along with a full recycling curriculum for grades pre-kindergarten through 12, developed for Republic by educators.
4. Education and Outreach Activity Schedule: The following schedule summarizes Republic's primary education and outreach activities.

Sample Outreach Materials

Item	Residential	MF & Comm	Frequency
New Program Guide	●	●	One-time, direct mail
Annual Newsletters	●	●	Annually -include information about waste reduction programs
Franchisee Website	●	●	24/7 – “How-To” information educational links
Information “How To” Video	●	●	Ongoing – video educating on new programs & services available
Billing Inserts	●	●	Quarterly – To provide additional information on required mandates
Corrective Action Tag Notice	●	●	As needed – Driver to directly communicate contamination issues
Educational Presentations	●	●	As needed – Host community events to emphasize and educate residents and businesses
Education Booths	●	●	As needed – at County events to promote & distribute proper handling of recyclable materials
Large Venue Events		●	As needed – Recycling Coordinators will provide assistance to provide input on waste station placement
Print Materials	●	●	Upon request – Posters, stickers, brochures for customer education
Multimedia Resources	●	●	Ongoing – Recycling Simplified links for multimedia outreach
Meetings with Property Managers & HOA's		●	As needed – Meeting to assess services needed and implement new programs
Waste Audits		●	Annually & as needed – Waste characterizations offered by Recycling Coordinators to identify recyclable material generated on site
Technical Assistance		●	Ongoing & upon request – To monitor recycling & organics bins for continued participation of new programs

Sample Cart/Bin Labels

EXAMPLES OF CARTS AND IN MOLD GRAPHICS TO COMPLY WITH SB 1383



Sample Commercial Cart/Bin Food Waste Label



Sample Commercial Recycling Flyer



Sample Commercial Recycling Brochure



Sample Oops Tag



Sample Special Events Flyer



APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

APPENDIX 7

FRANCHISE AREA SPECIFIC PROGRAMS

A. RESIDENTIAL COMPOST GIVEAWAY

Franchisee shall conduct a compost give-away event annually at no additional charge. Compost will be pre-bagged in one-yard bags or mutually agreed upon by the County and Franchisee.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

CR&R Incorporated (CR&R)

Franchise Area 3

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE..... 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES..... 38

ARTICLE 5: PROCESSING AND TRANSFER.....39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE’S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE48

 SECTION 7.1. THE FRANCHISEE’S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS..... 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 90

ACCEPTED MATERIALS90

APPENDIX 1-E92

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 92

APPENDIX 2-A 105

RATES FOR RESIDENTIAL SERVICE 105

APPENDIX 2-B106

RATES FOR COMMERCIAL SERVICE 106

APPENDIX 2-C 108

RATES FOR OTHER SERVICES..... 108

APPENDIX 3-A 109

EXAMPLE RATE ADJUSTMENT CALCULATION 109

APPENDIX 3-B110

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 110

APPENDIX 4 112

IMPLEMENTATION AND COMPLIANCE PLAN..... 112

APPENDIX 5 113

OUTREACH AND EDUCATION PLAN..... 113

APPENDIX 6 114

RECORD KEEPING AND REPORTING 114

APPENDIX 7 123

FRANCHISE AREA SPECIFIC PROGRAMS..... 123

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and CR&R Incorporated (CR&R) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 3 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016 and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 3; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA, which is owned and operated by CR&R, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA or South County C&D MRF at 31643 Ortega Highway, San Juan Capistrano, CA, which are owned and operated by CR&R, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to CR&R, Inc. and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 3, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 3, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 3 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 3, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION. Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D).

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

- (1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.
- (2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.
- (3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.
- (4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou, email=Paul.Albarian@coco.ocgov.com,
c=US
Date: 2021.05.11 12:38:01 -0700'

By: _____

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 7

Franchise Area Specific Programs

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAP OF FRANCHISE AREA



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

The carts provided by CR&R shall meet all of the design and performance requirements specified in the agreement and comply with SB 1383 regulations.

CR&R proposes the use of Toter (or similar manufacturer) for the use of carts for curbside residential services and as needed for commercial and multi-family service.

Carts are manufactured using medium density polyethylene with the advanced rotational molding process. Rotational molding provides superior strength-to-weight ratio not found in standard injection-molded carts and boast the industry’s lowest warranty claim rate.

Automated Cart Specifications

35 Gallon	Approximately 25” deep x 20” wide x 39” tall Load Rating: 112 lbs. Wheel Diameter: 10”
65 Gallon	Approximately 32” deep x 25” wide x 42” tall Load Rating: 224 lbs. Wheel Diameter: 10”
95 Gallon	Approximately 35” deep x 29” wide x 43” tall Load Rating: 335 lbs. Wheel Diameter: 10”

Cart Load Capacity - Depending on the capacity, the Carts shall have a minimum load capacity as noted below without container distortion, damage, or reduction in maneuverability or any other functions as required herein.

<u>Cart Size (Gallons)</u>	<u>Minimum Load Capacity (LBS)</u>
90-100	200
60-70	130
32-35	70

Cart Color Identification

Carts bodies will be Granite Gray, with different color lids to designate the appropriate material placement: black lids for material to be disposed at the landfill, green lids for organic material and blue lids for recyclable material. Lid colors and labeling will comply with requirements of SB 1383 and be consistent in each permit area.

The following is an image of the proposed cart lids:



Bin Color Identification

Refuse bins will be painted a uniform color of blue with corresponding black lid. Recycling and organics bins are painted a different uniform color with corresponding lids color.

**APPENDIX 1-D
ACCEPTED MATERIALS**

Residential Recycling Program will include the following materials:

Glass	Food and beverage bottles, glass jars and bottles, house windows, liquor, soda and juice bottles, tempered glass, Pyrex
Plastic	PET: soft drink bottles, photo film canisters HDPE: detergent containers, plastic water/milk containers, pails PVC: sprinkler pipe LDPE: trash can liners, shrink wrap, grocery bags PP: yogurt containers, luggage, drinking straws PS: plastic plates, cups, egg cartons, food trays Other: mixed plastic containers, plastic toys
Metal	Empty aerosol cans, metal coat hangers, aluminum cans, tin cans, food and juice jars, empty paint cans, metal foil, lawn furniture
Paper	White paper, colored paper, envelopes, junk mail, phone books, magazines and other soft cover books/manuals, glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper
Cardboard	Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons

Commercial Recycling Program will include the following materials:

Glass	Empty glass beverage containers, empty glass food containers, all glass colors
Metal	Aluminum cans, tin cans
Plastics	Drink bottles, detergent containers, plastic toys, milk containers
Paper	White paper, colored paper, magazines, phone books, newspaper, milk or juice cartons
Cardboard	Cardboard, chipboard/boxboard

Accepted Organic Materials include the following required by CalRecycle for Residential Cart Customers.

Yard Waste	Loose green material from the yard, grass clippings, leaves, weeds, tree and bush prunings, material, vineyard clippings, and tree trunks/stumps/branches 3” or less in diameter
Food Waste	All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials
Compostable Materials	Soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, single use PLA cups, single serve coffee brewing cups and other plant-based utensils; paper take-out boxes and containers, greasy pizza boxes, paper bags and cardboard, and ASTM D6400 biodegradable food service ware designed to disintegrate and biodegrade quickly

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Facility / Address / SWIS #	Owner / Operator	Materials Transported, Processed or Landfilled:
CR Transfer 11232 Knott Avenue, Stanton, CA SWIS#: 30-AB-0013 C&D 30-AB-0462 Green 30-AB-0463	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Mixed solid waste, Commingle Recyclables, Construction and Demolition Materials
CR&R Recycling (Western) Stanton, CA 90680 SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Commingled Recyclables
CR&R Anaerobic Digestion Facility 1706 Goetz, Perris, CA 92570 SWIS#: 33-AA-0239	Owned and operated by CR&R	Residential Green Waste and Food Waste
South Yuma County Landfill 19536 South Avenue 1E, Yuma, AZ SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Green Waste and Food Waste
CR&R EMSW Facility 1706 Goetz, Perris, CA 92570 SWIS#:33-AA-0239	Owned and operated by CR&R	Residual from Commingled Recyclables
South County C&D MRF 31643 Ortega Hwy, San Juan Capistrano, CA SWIS#: 30-AB-0395	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Construction and Demolition Materials

DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee’s contracts. County, or its agent, will have the right to seek verification of Franchisee’s reported aggregate capacity through inspection of pertinent sections of Franchisee’s contracts with such entities to determine the duration of Franchisee’s commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee’s office and will not retain any copies of review material. Franchisee will fully cooperate with the County’s request and provide County and its agent(s) or access to Franchisee’s records.
- 2) Franchisee’s Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor’s guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee’s obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service

obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facility(ies) and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H. FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

I. NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this

Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

L. APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract

agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

N.INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce

Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X.PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z.MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

CR&R
RESIDENTIAL CURBSIDE CART RATES
FRANCHISE AREA 3

Residential Curbside Customer Rates

Row	Service Level	Franchise Area 3
		Orange Islands
1	Basic Service - # of Accts (1)	\$ 19.99
2	Senior Discount - 10%	\$ 17.99
3	Extra Recycling Cart - # of Carts	\$ 3.67
4	Extra Organics Cart - # of Carts	\$ 7.05
5	Extra Waste Cart - # of Carts	\$ 7.53
6	Extra Bulky Item Pickup Above 3 per Year	\$ 32.38
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 32.38
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**CR&R
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 3**

Monthly Rates*

Row	Service Level	Franchise Area 3
		Orange Islands
2 CY Refuse Bin		
1	1x/week	\$ 151.64
2	2x/week	\$ 280.53
3	3x/week	\$ 399.76
4	4x/week	\$ 513.02
5	5x/week	\$ 622.04
6	6x/week	\$ 727.78
7	Extra Pickup	\$ 75.82
3 CY Refuse Bin		
8	1x/week	\$ 162.47
9	2x/week	\$ 300.57
10	3x/week	\$ 428.31
11	4x/week	\$ 549.66
12	5x/week	\$ 666.47
13	6x/week	\$ 779.77
14	Extra Pickup	\$ 81.23
4 CY Refuse Bin		
15	1x/week	\$ 173.30
16	2x/week	\$ 320.61
17	3x/week	\$ 456.86
18	4x/week	\$ 586.31
19	5x/week	\$ 710.90
20	6x/week	\$ 831.75
21	Extra Pickup	\$ 86.65
Locked 3 CY Refuse Bin		
22	1x/week	\$ 187.47
23	2x/week	\$ 346.82
24	3x/week	\$ 494.22
25	4x/week	\$ 634.24
26	5x/week	\$ 769.02
27	6x/week	\$ 899.75
28	Extra Pickup	\$ 93.73
Locked 4 CY Refuse Bin		
29	1x/week	\$ 198.30
30	2x/week	\$ 366.86
31	3x/week	\$ 522.77
32	4x/week	\$ 670.89
33	5x/week	\$ 813.45
34	6x/week	\$ 951.74
35	Extra Pickup	\$ 99.15
2 CY Organics Bin		
36	1x/week	\$ 203.58
37	2x/week	\$ 376.62
38	3x/week	\$ 536.69
39	4x/week	\$ 688.75
40	5x/week	\$ 835.11
41	6x/week	\$ 977.08
42	Extra Pickup	\$ 101.79
Manure Collection		
43	Specify Container Size: 2 CY	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**MULTI-FAMILY AND COMMERCIAL CART
RATES AND SERVICE LEVELS
FRANCHISE AREA 3**

Monthly Customer Rates*

Row	Service Level	Franchise Area 3
		Orange Islands
	65-Gallon Organics Cart	
1	1x/week	\$ 158.10
2	2x/week	\$ 292.49
3	3x/week	\$ 416.80
	Any Size Refuse Cart	
4	1x/week	\$ 102.63
5	2x/week	\$ 189.86
6	3x/week	\$ 270.56
7	4x/week	\$ 347.21
8	5x/week	\$ 421.00
9	6x/week	\$ 492.57
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

**CR&R
ROLL-OFF CONTAINER RATES
FRANCHISE AREA 3**

Customer Rates

Row	Service Level	Franchise Area 3
		Orange Islands
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 493.00
2	Over 40 CY Roll-Off	\$ 493.00
3	21-30 CY Compactor	\$ 565.90

**CR&R
RATES FOR OTHER SERVICES
FRANCHISE AREA 3**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 3
		Orange Islands
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 70.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												

Average 252.455

Change in CPI 0.0154

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling

Annual Exclusive Franchise Fee Adjustment

Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	-------

Franchise Fee

Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous	=	Increase
\$300,000.00 (A)	X	(2.42%)	=	\$7,267.88 (B)

Franchise Fee

Effective
1-Jul-2021

(A) + (B) =	\$307,267.88
-------------	--------------

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

COUNTY OF ORANGE IMPLEMENTATION PLAN OF ACTION (IPOA)											
Programs and Tasks	Agency Responsible	Year: 2021									
		March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Franchise Approval	County			X							
1. Asset Purchases											
Vehicles Ordered	CR&R		X								
Residential Containers Ordered	CR&R		X								
Negotiate Existing Container Deal w/ Incumbent Hauler(s)	CR&R			X	X						
Commercial Bins Ordered	CR&R		X								
Order Container and Bin Decals	CR&R			X							
2. Brochures and Outreach											
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County			X	X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Recycling Guide and outreach items	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X	X			
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X	X					
County Specific Website Pages for County approval	CR&R			X	X	X					
Commence Recycling Outreach & Field Surveys	CR&R			X	X	X	X				
Community workshops	CR&R			X	X	X					
Quarterly Newsletters	CR&R									X	
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X					X
3. Customer Information											
Preliminary Review of Existing Customer Data Base	CR&R			X	X						
Identify Multiple-cart customers and contact as needed	CR&R			X	X	X					
Route Sheets reviewed and revised	CR&R			X	X						
Customer Data Base Updated with Route #'s	CR&R				X						
Multi-Family Customers Identified and Routed	CR&R				X						
Commercial Field Surveys start/finish	CR&R			X	X	X					
4. Start-Up											
County Staff meeting(s)	County & CR&R	X	X	X	X	X	X	X	X	X	X
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained (as needed)	CR&R			X	X						
Driver Interviews and Offers (as needed)	CR&R			X	X						
Driver Training (as needed)	CR&R			X	X						
CSR Manual Completed	CR&R			X	X						
Route Supervisor(s) identified	CR&R			X	X						
Residential Container and Kitchen Pail deliveries (as needed)	CR&R				X						
Commercial Bin deliveries (as needed)	CR&R				X						
Commence Service	CR&R					X					
Residential Commingled Characterization Studies	CR&R									X	
Commercial MSW Characterization Studies	CR&R									X	
Roll-off MSW Permanent Characterization Studies	CR&R									X	
Commercial Organics Characterization Studies	CR&R									X	
Roll-off C&D Characterization Studies	CR&R									X	

APPENDIX 5

OUTREACH AND EDUCATION PLAN

APPENDIX 5 - Outreach & Education Plan											
COUNTY OF ORANGE PUBLIC OUTREACH & EDUCATION PLAN											
Tasks	Agency Responsible	Year:2021									
		Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Award of Contract	County			X							
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained	CR&R			X	X						
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County				X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Brochures	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X				
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X						
County Specific Website Pages for County approval	CR&R			X	X						
Commence Recycling Outreach & Field Surveys	CR&R			X	X						
Community workshops	CR&R			X	X						
Quarterly Newsletters	CR&R								X		
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X				X	

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. **Reporting - Monthly Reports**

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

APPENDIX 7

FRANCHISE AREA SPECIFIC PROGRAMS

A. ANNUAL SHREDDING EVENT

Franchisee shall conduct a shredding event annually at no additional charge.

B. RESIDENTIAL COMPOST GIVEAWAY

Franchisee shall conduct a compost give-away event annually at no additional charge. Compost will be pre-bagged in one-yard bags or mutually agreed upon by the County and Franchisee.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

Rainbow Disposal Co., Inc

Franchise Area 4

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE..... 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES 29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES..... 38

ARTICLE 5: PROCESSING AND TRANSFER..... 39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE’S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL..... 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE 48

 SECTION 7.1. THE FRANCHISEE’S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS..... 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 88

ACCEPTED MATERIALS88

APPENDIX 1-E89

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 89

APPENDIX 2-A 103

RATES FOR COMMERCIAL SERVICE 103

APPENDIX 2-B105

RATES FOR OTHER SERVICES..... 105

APPENDIX 3-A 106

EXAMPLE RATE ADJUSTMENT CALCULATION 106

APPENDIX 3-B107

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 107

APPENDIX 4 109

IMPLEMENTATION AND COMPLIANCE PLAN..... 109

APPENDIX 5 110

OUTREACH AND EDUCATION PLAN..... 110

APPENDIX 6 114

RECORD KEEPING AND REPORTING 114

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Rainbow Disposal Co., Inc (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 4 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 4; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are High Diversion Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are Organic Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Facilities listed in Appendix 1-E, which are Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CVT Regional Materials Facility at 277 E. Gretta Lane, Anaheim, CA 92806, and Rainbow Disposal Co., Inc., at 17121 Nichols Lane, Huntington Beach, CA 92647, which are owned and operated by Republic, that are Transfer Facilities and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded

Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal, and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public

health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for

Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Rainbow Disposal Co., Inc and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition

in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance

and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to

and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials

which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet

the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner's employee, property manager, or property manager's employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

"Source Separated Blue Container Organic Waste" or "SSBCOW" means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

"Source Separated Green Container Organic Waste" or "SSGCOW" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

"Source-Separated Recyclable Materials" means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

"Special Circumstance" means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

"Special Service" means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. "Special Service" does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

"SRRE" means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

"Tax" means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

"Temporary Roll-Off Box" means a Container rented by a Customer by the week or month for a

temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil

disturbance, pandemic, or epidemic;

(2) A Change in Law (as defined herein);

(3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.

(4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

(a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;

(b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;

(c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;

(d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;

(e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;

(f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;

(g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;

(h) Vehicle or equipment failure; or

(i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not

applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 4, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 4, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 4 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 4, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

- (4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.
- (5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.
- (6) Information regarding programs for donation of Edible Food.
- (7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.
- (8) Information regarding Self-Hauling requirements.
- (9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.
- (O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.
 - (1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.
 - (2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.
- (P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.
- (Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

- (1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.
- (2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.
- (3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.
- (4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou,
email=Paul.Albarian@coco.ocgov.com,
c=US
Date: 2021.05.11 12:39:06 -07'00'

By: _____

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Commercial Service
- B) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAP OF FRANCHISE AREA



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement. Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

Residents will receive wheeled carts of 35-, 65- or 95-gallon capacity for three different commodity types. Republic Services will provide bins and carts that will be compliant with the following SB 1383 requirements by 2037:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

Commercial customers will receive wheeled bins of 1-4CY for MSW and Recycling. They will have the option to receive a 2CY or less bin or a 65-gallon cart for organics. Bin and color scheme will be compliant with SB 1383 requirements:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

**APPENDIX 1-D
ACCEPTED MATERIALS**

List of all acceptable items for each cart:

a. Green Cart Accepted Items (food waste and green waste) Please note that food waste will be accepted in residential carts starting in January 2022 .

- i. Fruit
- ii. Vegetables
- iii. Bread, cheese & pastries
- iv. Pasta, grains, rice & beans
- v. Meat, poultry, seafood & shellfish
- vi. Bones & Eggs
- vii. Yard & Garden Waste

b. Blue Cart Accepted Items (Fiber plus non-organic recyclables)

- i. Aluminum Cans
- ii. Plastic bottles
- iii. Newspapers
- iv. Cereal boxes
- v. Paper bags
- vi. . Magazines
- vii. Plastic milk containers
- viii. Tin Cans
- ix. Mixed Paper
- x. Cardboard boxes
- xi. Glass bottles/jars (any color)
- xii. Telephone books
- xiii. Juice cans
- xiv. mail

c. Black/Gray Cart Accepted Items

- i. MSW
- ii. Plastic Bags & Film
- iii. Paper plates
- iv. Paper cups & utensils

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A.GENERAL REOUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:**Transfer Facilities**

Facility Name	Location	Relationship
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

Processing Facilities

Facility Name	Location	Relationship	Material Processed
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane Anaheim CA 92806	Republic Owned	Source Separated Recyclables, C&D, Single Stream Recycling
Copper Mountain Landfill Compost Facility ADEQ Approval No. 14003400.113	34853 East County 12th St Wellton, AZ 85356	Republic Owned	Yard Waste/Food Waste
Kochergen Farms Composting SWIS# 16-AA-0022	Avenal Cutoff Rd & Omaha Ave Avenal, CA 92304	Republic Partnership	Yard Waste/Food Waste
Circle Green SWIS# 36-AA-0500	17900 Sheep Creek Rd Phelan, CA 92371	Republic Partnership	Yard Waste/Food Waste
Agromin OC Chino Green Mat. Composting SWIS# 36-AA-0476	8100 Chino Corona Rd. Chino, CA 92880	Republic Partnership	Yard Waste/Food Waste
Recology Blossum Valley Organics SWIS# 15-AA-0307	6061 North Wheeler Ridge Road Lamont, CA	Republic Partnership	Yard Waste/Food Waste
Anaergia - Rialto Bio-Energy Facility SWIS# 36-AA-0446	503 East Santa Ana Ave Rialto, CA 92316	Republic Partnership	Source Separated Organics (Food Waste)

Operating Facilities

Facility Name	Location - Yard	Location - Support
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

DESIGNATED FACILITIES:**Disposal Facilities (Gray Container Waste and Residual Waste):**

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D. FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container

Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H.FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

L.NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14

CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a “Designated Source Separated Organic Waste Processing Facility” pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility’s Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County’s final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be “unavailable” if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be “unavailable” if the lack of availability of the Facility is not due to Franchisee’s negligence, illegal activity, neglect, or willful misconduct. At County’s request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County’s participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee’s

operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

N.INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

IIINFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

OS PARATE HANDLING REOUREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.

3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.S.SGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16),

demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
- d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
- e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
- f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
- g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground

“overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.

5. Limits on Incompatible Materials in Recovered Organic Waste

- a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
- b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
- c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section 17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA.DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the

County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.
- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following "evaluations" at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic

Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).

- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

**APPENDIX 2-A
MAXIMUM RATES FOR COMMERCIAL**

**REPUBLIC SERVICES
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 4**

Monthly Rates*

Row	Service Level	Franchise Area 4
		Fountain Valley Island
2 CY Refuse Bin		
1	1x/week	\$ 145.35
2	2x/week	\$ 205.32
3	3x/week	\$ 265.19
4	4x/week	\$ 325.10
5	5x/week	\$ 406.38
6	6x/week	\$ 444.94
7	Extra Pickup	\$ 181.68
3 CY Refuse Bin		
8	1x/week	\$ 191.58
9	2x/week	\$ 270.63
10	3x/week	\$ 349.55
11	4x/week	\$ 428.52
12	5x/week	\$ 535.65
13	6x/week	\$ 586.47
14	Extra Pickup	\$ 239.48
4 CY Refuse Bin		
15	1x/week	\$ 237.81
16	2x/week	\$ 335.94
17	3x/week	\$ 433.90
18	4x/week	\$ 531.94
19	5x/week	\$ 664.92
20	6x/week	\$ 728.00
21	Extra Pickup	\$ 297.27
Locked 3 CY Refuse Bin		
22	1x/week	\$ 216.58
23	2x/week	\$ 295.63
24	3x/week	\$ 374.55
25	4x/week	\$ 453.52
26	5x/week	\$ 560.65
27	6x/week	\$ 611.47
28	Extra Pickup	\$ 264.48
Locked 4 CY Refuse Bin		
29	1x/week	\$ 262.81
30	2x/week	\$ 360.94
31	3x/week	\$ 458.90
32	4x/week	\$ 556.94
33	5x/week	\$ 689.92
34	6x/week	\$ 753.00
35	Extra Pickup	\$ 322.27
2 CY Organics Bin		
36	1x/week	\$ 159.88
37	2x/week	\$ 225.85
38	3x/week	\$ 291.71
39	4x/week	\$ 357.61
40	5x/week	\$ 447.02
41	6x/week	\$ 489.43
42	Extra Pickup	\$ 199.85
Manure Collection		
43	Specify Container Size: _____	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**REPUBLIC SERVICES
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 4**

Monthly Customer Rates*

Row	Service Level	Franchise Area 4
		Fountain Valley Island
65-Gallon Organics Cart		
1	1x/week	\$ 75.00
2	2x/week	\$ 105.00
3	3x/week	\$ 147.00
Any Size Refuse Cart		
4	1x/week	\$ 35.00
5	2x/week	\$ 49.00
6	3x/week	\$ 68.60
7	4x/week	\$ 96.04
8	5x/week	\$ 134.46
9	6x/week	\$ 188.24
Any Size Recycling Cart		
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-B

MAXIMUM RATES FOR OTHER SERVICES

**REPUBLIC SERVICES
ROLL-OFF CONTAINER RATES
FRANCHISE AREA 4**

Customer Rates

Row	Service Level	Franchise Area 4
		Fountain Valley Island
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 597.03
2	Over 40 CY Roll-Off	\$ 572.76
3	21-30 CY Compactor	\$ 643.39

**REPUBLIC SERVICES
RATES FOR OTHER SERVICES
FRANCHISE AREA 4**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 4
		Fountain Valley Island
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 45.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												

Average 252.455

Change in CPI 0.0154

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
Annual Exclusive Franchise Fee Adjustment
Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	--------------

Franchise Fee
Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee
Effective
1-Jul-2021

(A) + (B) = **\$307,267.88**

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
2.42%

APPENDIX 4**IMPLEMENTATION AND COMPLIANCE PLAN**

1. Confirm Implementation Team
 - a. Our municipal managers will administer the franchise and act as liaisons to the County. Specific duties include working with County staff regarding contract administration, compliance and implementation.
2. Conduct Initial Scoping Session
 - a. Key transition team members will meet to review and outline all program requirements with County decision makers. The team will outline program objectives, key contractual requirements, timelines, and important milestones, as well as to assign specific responsibilities related thereto.
3. Discuss Procurement
 - a. Republic Services already has the vehicles needed to service the County.
 - b. Containers for residential and commercial customers are already deployed in the service area. Labeling of containers with accepted material type will be completed within the SB 1383 timeline. Operationally, color-compliant carts and containers will be delivered to all customers according to SB1383 requirements and timeline.
4. Develop Routes
 - a. Our Operations Managers in Huntington Beach and Anaheim are responsible for the management of our current operations for the County. Our operations team has already taken safety hazards, security access, and geography into consideration to develop route structures and sheets. The team is constantly reviewing routes to improve efficiencies and put safety first.
5. Provide Community Communication and Education:
 - a. Site Visits: Republic's has recycling coordinators, who will be responsible for outreach, education, and completing assessments to establish proper recycling service levels. Commercial customers will be broken down into two-segments: multi-family and commercial businesses. Each commercial and multi-family customer will receive a tailored site assessment to establish services levels, container needs, and space restrictions.
 - b. Targeted Outreach: Initial outreach to AB341 and AB 1826 non-compliant Commercial and Multi-family customers will be emphasized to increase participation and diversion. SB 1383 compliance will be achieved through robust education and outreach.
 - c. Marketing Collateral: Republic has a full marketing department creating and producing materials for the program. We will roll out an initial mailer to describe the new programs followed by an annual newsletter. Newsletters and mailers will be provided to each residence describing what material type can be placed in which containers.
6. Ongoing Compliance
 - a. Residential Three-cart System: Residential compliance with existing and emergent regulations is gained primarily through a three-cart system and the distribution of new carts that are appropriately colored and labeled, as well as the inclusion of food waste with yard waste in the green/organics cart.
 - b. Tracking: Customer data will be collected through a combination of interactive applications, Republic's website, toll free and local numbers for customers, the Company's waste representatives, and mail-back programs.
 - c. Driver Feedback: We will use collection drivers' notes on contamination levels to identify potential training opportunities and provide businesses easy tips and pointers to reduce contamination.
 - d. Route Reviews and Audits: The results of the reviews and audits will be collected in a central data base and be made available to the County of Orange for reporting purposes. Out of compliance customers will be provided with additional education materials.
 - e. Reporting: Republic Services provides annual reporting as required by SB 1383.

APPENDIX 5**OUTREACH AND EDUCATION PLAN**

Implementation of SB1383 will require a comprehensive education and outreach program. Republic supplies the necessary tools (proper containers) and resources (educational outreach, customer access to information, technical assistance and training) to its customers. We also perform monitoring activities and provide reporting.

Our Commercial Approach

Our Huntington Beach and Anaheim Divisions already service multifamily and commercial businesses in the Unincorporated Franchise Areas 2 (Yorba Linda, Placentia and Buena Park), 4 (Fountain Valley) and 7-A (John Wayne Airport). We will provide the following services to meet legislative requirements for AB 939, AB 341, AB 1826, and SB 1383:

1. Field Staff: Customer engagement and diversion objectives will be the ongoing focus of Republic's recycling coordinators who will be charged with spending time in the field working with customers. This approach will assist the County in its move towards zero waste by:
 - a. Increasing recycling participation rates from program outset and improving them over the term of the Agreement through a focused understanding of the operations of various business types and create internal programs that shape external results.
 - b. Ensuring communications, outreach, training, and education regarding zero waste, waste reduction and prevention, reuse, and recycling are easy to understand.
 - c. Create a sustainable program to support its customers in making logistical decisions concerning management of discarded materials from the time the Agreement is signed through the entire term to achieve and sustain program momentum and results.
2. Initial Site Visits and Assessments: Recycling Coordinators will target businesses that generate a high volume of organics material and will work in phases to maximize business participation and recycling performance.
 - d. Businesses will receive an introductory letter describing the organics program, state regulations, and need for compliance/ implementation.
 - e. During the initial site visit, our recycling coordinators will recommend an organics collection service level and formalize next steps for cart or container delivery and service implementation. When performing the site visit, the recycling coordinator will assess businesses on a case-by-case basis to create an individualized program that is tailored to each business. They will use an audit form to accumulate all data from site visits and provides a brief summary report that can be provided to the customer.
 - f. For sit-down restaurants, outreach staff will focus on back-of-house collection and help train kitchen staff, bussers, and dishwasher staff to place materials in the correct container.
 - g. For cafeterias, and fast-food style restaurants, our staff will address both back-of house and front-of-house collection to see if there are opportunities for adding proper signage or additional containers, as well as if the business could use compostable products to help prevent contamination.
 - a. Following up with onsite business contacts in a timely manner is essential when launching a new collection service. After the containers are delivered and all training has been performed, the recycling coordinator will follow up with the business manager to review progress and provide additional educational support or resources as needed, including photos of contamination if applicable.
3. Multi-Family Education: Includes presentations and handouts on the importance of sorting properly and describing what materials go where.
 - a. Multi-Family Service Guide
 - b. Collection Point Posters
 - c. Meetings with Property Manager
4. Commercial Education: Compliance with State regulations will be the focus for this program along with maintaining clean recycling loads.
 - a. Commercial Service Guide: Contains information on proper sorting for trash, recycle, organics, as well as additional services available for proper disposal of hazardous material, hard-to-recycle material, and large project waste solutions.

- b. Posters, Stickers, Flyers
 - c. Organics educational materials will highlight specific materials accepted in the program, such as clean food scraps, green waste, approved compostable paper products including cutlery and service-ware.
 - d. Commercial Newsletter: Prepared and distributed on an annual basis.
 - e. Waste Audits and Recycling Technical Assistance.
 - f. Presentations to Business Organizations.
 - g. Special Events: Republic will arrange for and staff a booth or table at County events to promote and distribute educational materials to promote source reduction, reuse, recycling, and composting, and to answer questions about collection services.
5. Monitoring: Republic will review lists of affected generators to ensure they are subscribing to and participating in the commercial programs. We will also identify and notify businesses that are not in compliance, as well as provide the proper technical assistance to ensure they have recycling and comply with the ordinance. All customer interactions and results will be tracked in a database.
 6. Corrective Action Notices (Oops Tags): Increase the resolution of contamination issues by notifying customers in writing with a corrective action notice, declining to service contaminated containers, and imposing charges to customers for excessive contamination.
 7. Reporting: Our team will be assigned to work within the County. Data will be handled through our internal systems and shared with the County.
 8. Enforcement: Republic will identify businesses that are out of compliance and provide technical assistance efforts to recycle. If the business chooses not to comply, Republic will work with the County to develop appropriate solutions and potential enforcement to maintain and increase diversion and compliance over the contract term. Commercial businesses will be required to participate in recycling programs to support AB341 and AB1826. Staff will work with the businesses to right size their disposal.
 9. Commercial and Multi-Family Compliance: Compliance is gained through personalized outreach and recycling technical assistance to optimize recycling and service levels generally, and the implementation of a properly signed and colored three-container system. Republic will offer solid waste, recycling, and organic collection services with a variety of container sizes and service frequencies to meet multi-family and commercial community needs, up to six days per week. Collections in the following container sizes: 35, 65, and 95-gallon cart; 2 to 3 cu. yards bins, and 10, 30, and 40 cu. yard roll off boxes; and 15, 20, 30, and 40 cu. yard roll off compactor receiver boxes for recyclable materials, trash, and green waste.
 10. Ongoing Support: Republic recognizes that to maintain a successful organics collection program, it is essential to provide ongoing feedback and assistance. Therefore, Republic will contact commercial organics participants annually thereafter or as needed to address staff turnover and provide educational refreshers. Additionally, all outreach materials will be readily accessible on Republic's Orange County unincorporated website.

Our Single Family Approach

Republic Services recognizes the importance of aligning outreach plans and goals with the County of Orange to increase diversion and support the County's diversion goals for single family residents as well. Below is a list of tasks that Republic Services will accomplish to meet these goals.

1. Field Staff: Republic's recycling coordinators will be charged with spending time coordinating single family education and outreach activities as listed below.
2. Single Family Education and Outreach
 - a. Residential Services Guide: Outlines proper sorting of material for disposal with both text and images, proper handling of universal and hazardous wastes, proper cart set-out procedures collection schedule, holiday collection schedule, and additional resources for customers.
 - b. Residential Newsletters: Annually distributed to inform residents about collection and waste reduction programs and as well as educational and topical issues.
 - c. Community Event Notifications: Promoting seasonal community events, including neighborhood clean-up events, Christmas tree collection, and other collection events.
 - d. Educational presentations to homeowner associations/HOA
 - e. Posters and Informational Displays: Posters may be made available to post at local venues and community meeting places, such as libraries and community centers, to help educate public on collection and diversion initiatives.
3. Ongoing Outreach
 - a. Community/Compost Workshops: Republic will attend community workshops as an invited guest to promote and explain the collection and diversion programs.

- b. Community Events: Republic will be involved in the community through County-sponsored, civic, and business events and activities.
 - c. School Education Programs: Available online with K-12 curriculum.
 - d. Website: Available 24/7 on the web.
 - i. Republic Services website: Users can enter their address in order to receive information specific to them, including detailed explanation of programs and services available, and the ability to schedule pick-up, change service, or to identify the correct contact person within Republic Services for services requests.
 - ii. County Specific website: The website will be built and maintained specifically for the County of Orange, where County-specific content will be available, including a description of general services provided, Republic contact information, and hours of operation. The website will link to the County's webpage.
 - iii. Recycling Simplified website: Information and informative videos by material type are posted at RecyclingSimplified.com, along with a full recycling curriculum for grades pre-kindergarten through 12, developed for Republic by educators.
4. Education and Outreach Activity Schedule: The following schedule summarizes Republic's primary education and outreach activities.

Sample Outreach Materials

Item	Residential	MF & Comm	Frequency
New Program Guide	●	●	One-time, direct mail
Annual Newsletters	●	●	Annually -include information about waste reduction programs
Franchisee Website	●	●	24/7 – “How-To” information educational links
Information “How To” Video	●	●	Ongoing – video educating on new programs & services available
Billing Inserts	●	●	Quarterly – To provide additional information on required mandates
Corrective Action Tag Notice	●	●	As needed – Driver to directly communicate contamination issues
Educational Presentations	●	●	As needed – Host community events to emphasize and educate residents and businesses
Education Booths	●	●	As needed – at County events to promote & distribute proper handling of recyclable materials
Large Venue Events		●	As needed – Recycling Coordinators will provide assistance to provide input on waste station placement
Print Materials	●	●	Upon request – Posters, stickers, brochures for customer education
Multimedia Resources	●	●	Ongoing – Recycling Simplified links for multimedia outreach
Meetings with Property Managers & HOA's		●	As needed – Meeting to assess services needed and implement new programs
Waste Audits		●	Annually & as needed – Waste characterizations offered by Recycling Coordinators to identify recyclable material generated on site
Technical Assistance		●	Ongoing & upon request – To monitor recycling & organics bins for continued participation of new programs

Sample Cart/Bin Labels

EXAMPLES OF CARTS AND IN MOLD GRAPHICS TO COMPLY WITH SB 1383



Sample Commercial Cart/Bin Food Waste Label



Sample Commercial Recycling Flyer



Sample Commercial Recycling Brochure



Sample Oops Tag



Sample Special Events Flyer



APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

**Waste Management Collection and Recycling, Inc.
dba Waste Management of Orange County**

Franchise Area 5 CA-1

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS	5
ARTICLE 1: DEFINITIONS; INTERPRETATION	7
SECTION 1.1. DEFINITIONS	7
SECTION 1.2. INTERPRETATION.....	22
ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE	24
SECTION 2.1. REPRESENTATIONS AND WARRANTIES	24
ARTICLE 3: GRANT OF FRANCHISE	25
SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS	25
SECTION 3.2. TERM OF FRANCHISE AGREEMENT	26
SECTION 3.3. FRANCHISE FEE	26
SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE	26
SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE.....	27
SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES	27
ARTICLE 4: COLLECTION SERVICES	29
SECTION 4.1. GENERAL SERVICES	29
SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS	32
SECTION 4.3. CONTAINERS	33
SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION	34
SECTION 4.5. COLLECTION LOCATIONS	36
SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.....	36
SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION	37
SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION.....	37
SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION	37
SECTION 4.10. OTHER WASTES	37
SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE	38
SECTION 4.12. SELF-HAUL OPT-OUT	38
SECTION 4.13. COUNTY DESIGNATION OF FACILITIES.....	38
ARTICLE 5: PROCESSING AND TRANSFER	39
SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS	39
SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES	39
SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES	39
SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS	39
SECTION 5.5. TITLE TO RECOVERED MATERIALS	40
SECTION 5.6. CONTAMINATION MONITORING PROCEDURES	40
SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.....	44
ARTICLE 6: SOLID WASTE DISPOSAL	46
SECTION 6.1. SOLID WASTE DISPOSAL.....	46
ARTICLE 7: COMPLIANCE	48
SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN.....	48
SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS.....	48
SECTION 7.3. DIVERSION FEES.....	48
SECTION 7.4. OUTREACH AND EDUCATION PLAN	49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 55

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAPS OF FRANCHISE AREA86

APPENDIX 1-C 88

CONTAINER SPECIFICATIONS 88

APPENDIX 1-D 91

ACCEPTED MATERIALS91

APPENDIX 1-E93

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 93

APPENDIX 2-A 107

RATES FOR RESIDENTIAL SERVICE 107

APPENDIX 2-B108

RATES FOR COMMERCIAL SERVICE 108

APPENDIX 2-C 110

RATES FOR OTHER SERVICES..... 110

APPENDIX 3-A 111

EXAMPLE RATE ADJUSTMENT CALCULATION 111

APPENDIX 3-B112

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 112

APPENDIX 4 114

IMPLEMENTATION AND COMPLIANCE PLAN..... 114

APPENDIX 5 129

OUTREACH AND EDUCATION PLAN.....129

APPENDIX 6 135

RECORD KEEPING AND REPORTING 135

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 5 CA-1 for the safe Collection, Transport, Recycling, and Disposal of

Discarded Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 5 CA-1; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, or Centralized Organic Recycling Facility at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management that is an Organic Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Waste Management Orange MRF at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the Waste Management Sunset Environmental at 16122 Construction Circle West, Irvine, CA 92606, which is owned and operated by Waste Management, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of

Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 5 CA-1, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 5 CA-1, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 5 CA-1 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 5 CA-1, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray

Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

(A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and

compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

- (1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.
- (2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.
- (3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.
- (4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou,
email=Paul.Albarian@coco.ocgov.com,
c=US
Date: 2021.05.11 12:40:02-07'00'

By: _____

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Maps of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Special Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

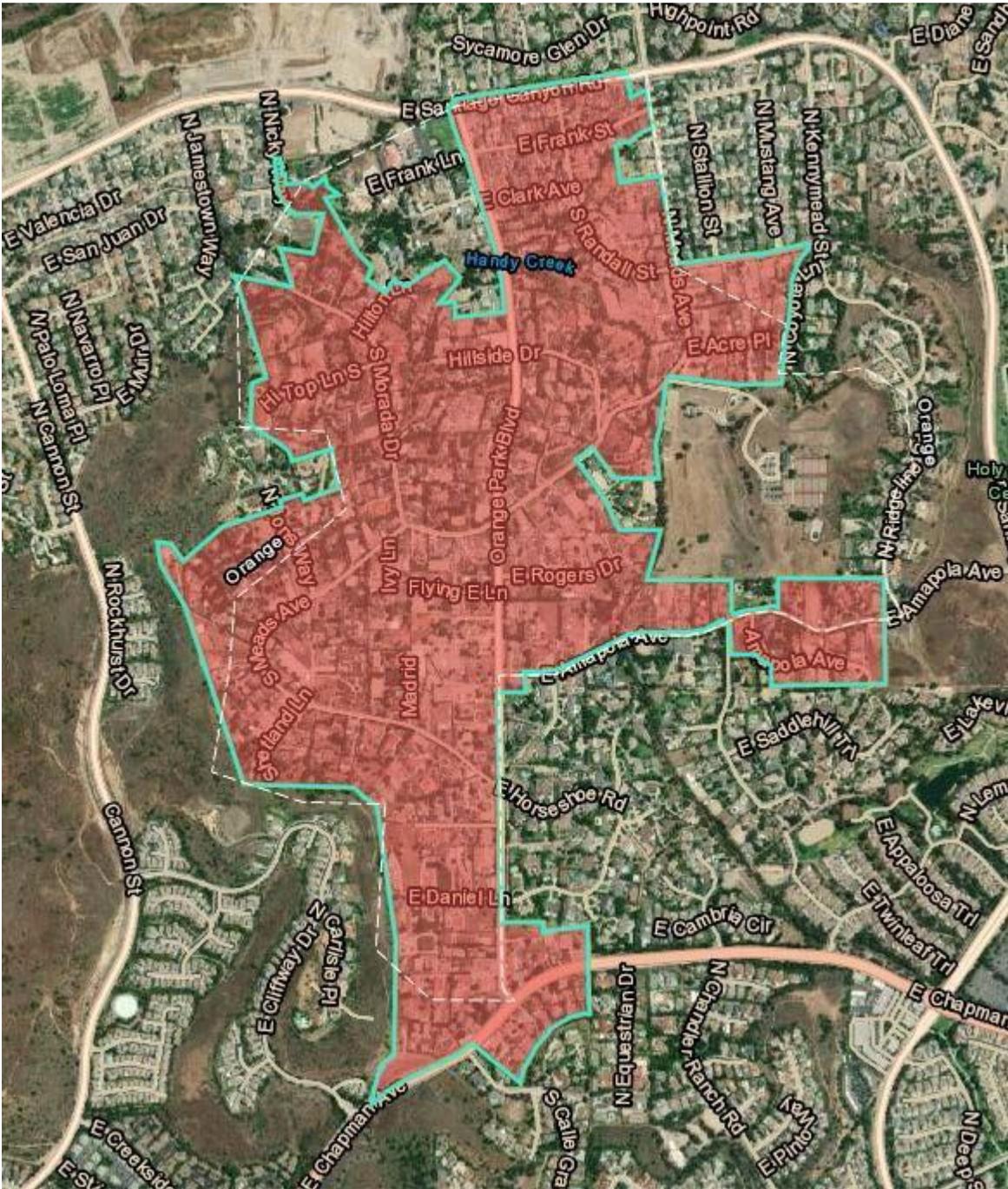
MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY

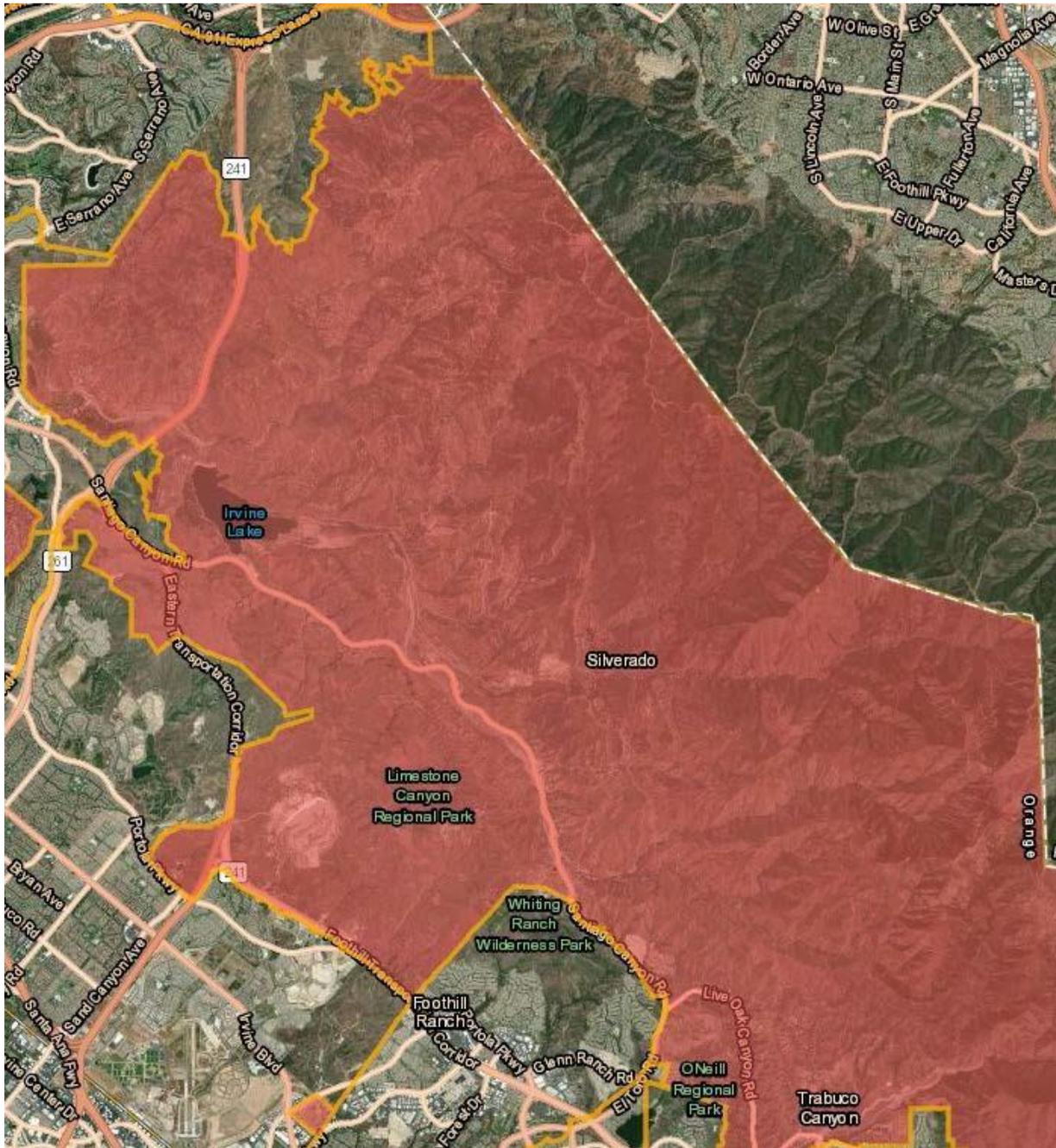


<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAPS OF FRANCHISE AREA





**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

35 GALLON EG

Capacity	35 Gallon
Model	35EG
Height	38.50"
Width	18.50"
Depth	24.10"
Load Rating	122.5 lbs.
Carts Per Stack	10 high/1,260 per truckload

**65 GALLON EG**

Capacity	65 Gallon
Model	65EG
Height	40.58"
Width	26.70"
Depth	28.11"
Load Rating	227.5 lbs.
Carts Per Stack	13 high/936 per truckload

**95 GALLON EG**

Capacity	95 Gallon
Model	95EG
Height	43.50"
Width	29.20"
Depth	33.30"
Load Rating	332.5 lbs.
Carts Per Stack	13 high/702 per truckload

Colors are available in all sizes.



Sample Waste Management Containers



Sample Waste Management Roll Offs



**APPENDIX 1-D
ACCEPTED MATERIALS**

SINGLE STREAM RECYCLABLE MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Paper	
<ul style="list-style-type: none"> • White paper, colored paper, envelopes, junk mail, soft cover books/manuals glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper 	<ul style="list-style-type: none"> • Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hard cover books/manuals, Tyvek (non-tearing) envelopes, and non-paper bags
Cardboard	
<ul style="list-style-type: none"> • Cardboard, Chipboard/boxboard, Milk/juice cartons, Egg cartons 	<ul style="list-style-type: none"> • Waxed cardboard
Aluminum and Tin	
<ul style="list-style-type: none"> • Empty aluminum cans, Empty aerosol cans • Tin cans, Loose jar lids 	
Glass	
<ul style="list-style-type: none"> • Glass including empty glass beverage containers, Empty glass food containers, all glass colors 	<ul style="list-style-type: none"> • Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material
Plastic	
<ul style="list-style-type: none"> • Empty PET bottles #1, HDPE bottles #2, Plastics #3, #4, #6 and #7, HDPE bottles #5 	<ul style="list-style-type: none"> • Plastic liners (i.e. Cereal bags), Bubble wrap, Plastic film
Other	
	<ul style="list-style-type: none"> • Wood furniture, Styrofoam, Solid Waste, Hazardous Waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste and small manufactured goods (e.g. purses, handbags and backpacks)

ORGANIC MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Source-Separated Food Waste	
<ul style="list-style-type: none"> All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silver Ware, play plates, cups, glasses, diapers, solid waste single stream recyclable materials, green waste materials, food processing liquids, hazardous waste, Kitty litter, pet waste, rocks, dirt Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Co-Collected Green Waste and Food Waste	
<ul style="list-style-type: none"> Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter, all food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Food Processing Liquids, Hazardous Waste Polystyrene plastic backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined wrap, kitty litter, pet waste, rocks, dirt, and tree trunks, stumps and branches greater than 6" in diameter Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Source-Separated Manure	
<ul style="list-style-type: none"> Manure, wood shavings and stable bedding 	<ul style="list-style-type: none"> Trash, landscaping waste, recyclables or plastic liners/film

Refuse	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Garbage	
<ul style="list-style-type: none"> All refuse and garbage such as plastic bags and film, diapers, pet waste, polystyrene foam, wax coated paper products, plastic utensils, dishware, ceramics, hardcover books, garden hoses, non-donatable clothing/textiles, non-recyclable plastics, and small manufactured goods (e.g. purses, handbags and backpacks) 	<ul style="list-style-type: none"> Items acceptable in the single stream recyclable and organic material list, as well as hazardous waste, electronic waste, construction debris and bulky items

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A.GENERAL REOUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Transfer Facilities

Transfer Facility		
	i. The name and address of the facility;	Waste Management Sunset Environmental 16122 Construction Circle West, Irvine, CA 92606
	ii. Owner	Sunset Environmental is solely owned and operated by Waste Management Collections and Recycling, Inc.
	iii. SWIS ID	30-AB-0336

Processing Facilities

MRF		
	i. The name and address of the facility;	Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Orange MRF is solely owned and operated by Waste Management, Inc.
	iii. SWIS ID	30-AB-0363

Organics (Source separated green waste with co-mingled food waste)		
	i. The name and address of the facility;	Tierra Verde Industries 8065 Marine Way, Irvine, CA 92618
	ii. Owner	Tierra Verde Industries
	iii. SWIS ID	30-AB-0403

Organics (Source separated commercial food waste)		
	i. The name and address of the facility;	Centralized Organic Recycling (CORE) Facility Located at Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Waste Management owns and operates this facility.
	iii. SWIS ID	30-AB-0363

DESIGNATED FACILITIES:**Disposal Facilities (Gray Container Waste and Residual Waste):**

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities.

Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that

will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE, to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH:

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials,

SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X.PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z.MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

WASTE MANAGEMENT
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 5 CA-1

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 5 CA-1
		OPA, Canyons and OPA Special Access
1	Basic Service - # of Accts (1)	\$ 22.65
2	Senior Discount - 10%	\$ 20.39
3	Extra Recycling Cart - # of Carts	\$ 7.00
4	Extra Organics Cart - # of Carts	\$ 10.00
5	Extra Waste Cart - # of Carts	\$ 10.00
6	Extra Bulky Item Pickup Above 3 per Year	\$ 35.00
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 15.00
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL

WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 5 CA-1

Monthly Rates*		
Row	Service Level	Franchise Area 5 CA-1 OFA, Canyons and OFA Special Access
2 CY Refuse Bin		
1	1x/week	\$ 220.00
2	2x/week	\$ 424.00
3	3x/week	\$ 636.00
4	4x/week	\$ 848.00
5	5x/week	\$1,060.00
6	6x/week	\$1,272.00
7	Extra Pickup	\$ 85.00
3 CY Refuse Bin		
8	1x/week	\$ 260.00
9	2x/week	\$ 504.00
10	3x/week	\$ 756.00
11	4x/week	\$1,008.00
12	5x/week	\$1,260.00
13	6x/week	\$1,512.00
14	Extra Pickup	\$ 95.00
4 CY Refuse Bin		
15	1x/week	\$ 280.00
16	2x/week	\$ 540.00
17	3x/week	\$ 816.00
18	4x/week	\$1,088.00
19	5x/week	\$1,360.00
20	6x/week	\$1,632.00
21	Extra Pickup	\$ 105.00
Locked 3 CY Refuse Bin		
22	1x/week	\$ 305.00
23	2x/week	\$ 554.00
24	3x/week	\$ 811.00
25	4x/week	\$1,068.00
26	5x/week	\$1,325.00
27	6x/week	\$1,582.00
28	Extra Pickup	\$ 80.00
Locked 4 CY Refuse Bin		
29	1x/week	\$ 325.00
30	2x/week	\$ 590.00
31	3x/week	\$ 871.00
32	4x/week	\$1,148.00
33	5x/week	\$1,425.00
34	6x/week	\$1,702.00
35	Extra Pickup	\$ 90.00
2 CY Organics Bin		
36	1x/week	\$ 255.00
37	2x/week	\$ 494.00
38	3x/week	\$ 741.00
39	4x/week	\$ 988.00
40	5x/week	\$1,235.00
41	6x/week	\$1,482.00
42	Extra Pickup	\$ 90.00
Manure Collection		
43	Specify Container Size: 2 cubic yard	
44	1x/week	\$ 285.00
45	2x/week	\$ 554.00
46	3x/week	\$ 831.00
47	4x/week	\$1,108.00
48	5x/week	\$1,385.00
49	6x/week	\$1,662.00
50	Extra Pickup	\$ 115.00
51	Recycling Bin (all sizes): Recycling Bins & Extra Pickups at no additional charge	

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 5 CA-1**

Monthly Customer Rates*

Row	Service Level	Franchise Area 5 CA-1
		OPA, Canyons and OPA Special Access
	65-Gallon Organics Cart	
1	1x/week	\$ 102.00
2	2x/week	\$ 199.00
3	3x/week	\$ 299.00
	Any Size Refuse Cart	
4	1x/week	\$ 85.00
5	2x/week	\$ 154.00
6	3x/week	\$ 231.00
7	4x/week	\$ 308.00
8	5x/week	\$ 385.00
9	6x/week	\$ 462.00
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

WASTE MANAGEMENT
ROLL-OFF CONTAINER RATES
FRANCHISE SERVICE AREA 5 CA-1

Customer Rates

Row	Service Level	Franchise Area 5 CA-1
		OPA, Canyons and OPA Special Access
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 695.00
2	Over 40 CY Roll-Off	\$ 735.00
3	21-30 CY Compactor	\$ 735.00

WASTE MANAGEMENT
RATES FOR OTHER SERVICES
FRANCHISE AREA 5 CA-1

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 5 CA-1
		OPA, Canyons and OPA Special Access
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 110.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.690	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling

Annual Exclusive Franchise Fee Adjustment

Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	--------------

Franchise Fee

Effective

1-Jul-2020

Base Rate

\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee

Effective

1-Jul-2021

(A) + (B) =	\$307,267.88
-------------	---------------------

Attachment F

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

							3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%						

Average of 12 previous months Year over Year
2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

IMPLEMENTATION AND COMPLIANCE PLAN

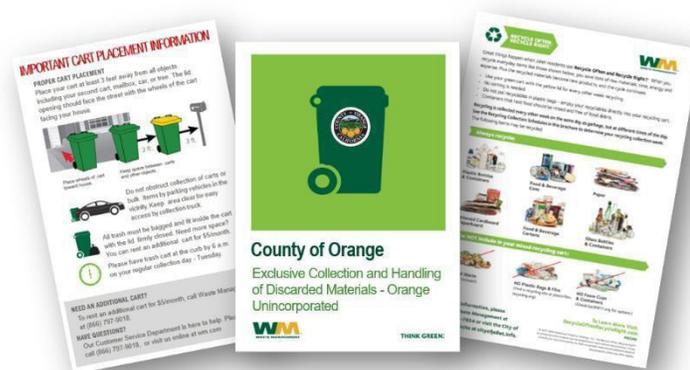
A Seamless Implementation with a Trusted Partner

Proposers should provide an implementation schedule that demonstrates that your company has the ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements. The plan should include detailed planned tasks, procedures and schedule to ensure the County's compliance with all applicable laws and regulations. The plan should include but not be limited to programs the proposer will implement in order to be in compliance with AB 341, AB 1826, SB 1383, and related regulations. Proposer shall identify which method they plan to use to achieve SB 1383 compliance (1 bin, 2 bin, 3 bin, 3+ bin, or Performance Based).

Transition Implementation

Our Commitment to the County – A Risk-Free Implementation

The County has relied on Waste Management as your local service provider decades. Throughout our partnership with UOC, we have shown our dedication to continuous improvement - better processes, more efficient procedures, and investments in technologies that enhance our collection capabilities and customer service.



Sample Images of Welcome Packets

Transitioning service providers would require rebuilding an already successful program from the ground up. With all service requirements already in place, our team is able to concentrate on delivering dependable

collection and enhancing your residents' experience from the moment the contract is awarded. Our team's experience in the County is unparalleled and we would provide the least disruption to customers during the transition to the new Agreement.

In addition to our already founded local team, Waste Management will be designating one dedicated Recycling Coordinator for the County of Orange Unincorporated to ensure a robust implementation plan is achieved and maintained.

The Recycling Coordinator will be ready by January 1, 2022 to ensure they are trained and involved in the SB 1383 implementation process. Together, the Recycle Coordinator, your local contract administrator, Hashem Shokair, and our local Operations team will be available to assist the County and its residents and businesses throughout the contract transition and program implementations.

The benefits for continuing to work with Waste Management are quantifiable and significant. We offer:

Established and reliable collection services.

We already have the vehicles, collection equipment, operations site, fueling station, processing facilities, account data, and systems in place to offer a risk- and disruption-free implementation.

Invaluable experience.

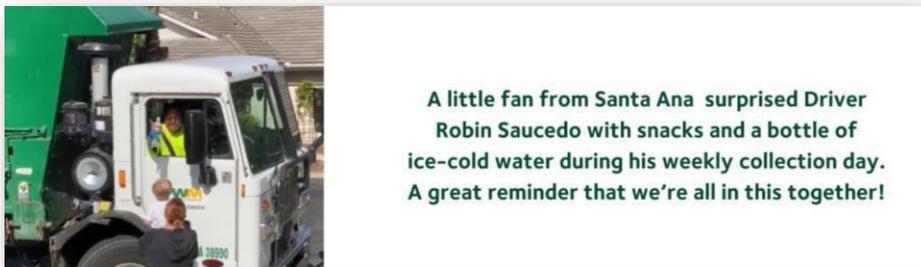
Our experienced drivers know every road and customer in your community, and our knowledgeable local staff is already well-versed in UOC contract terms and service offerings. Further, we leverage lessons learned to offer proven public education and outreach strategies for communicating available services, resources, and maximizing customer participation.

Existing relationships.

Over the years, Waste Management staff members have worked hard to become a trusted community partner. We have built meaningful relationships with County staff, your customers, and local groups and organizations. We will continue to collaborate with these partners to advance service offerings, problem solve, innovate, and support the vitality of the UOC community.

A commitment to continuous improvement.

We seek to continuously improve our services and offer the latest and greatest technologies and innovations in sustainability and integrated operational technology.



If Waste Management is selected as the service provider for the County's new Contract, we will manage the implementation with meticulous care. Below we have outlined our approach to the most critical components of the new Contract implementation, including equipment and resources, customer service, billing, and public education considerations.

Critical Collection Equipment and Resources in Place Today

Key to all successful new contract implementations is having the most basic collection equipment and resources in place, tested, and proven. We understand one of the County's top priorities is for their collection partner to deliver the base collection services - confirming customers have containers to put materials into and that material is collected on-time and in a professional and safe manner.

All of Waste Management's UOC collection equipment and resources are already in place, eliminating any opportunity for customer disruption associated with delays and equipment problems that are often associated with new contract implementations. Further, our local Operations Team has decades of experience managing current route schedules. This means that swaps of new containers will be seamless to the residents' normal routines.

Core Collection Equipment and Resources		
	Waste Management Competency	Benefits to the UOC Community
Drivers 	<p>Management employees have successfully completed rigorous safety and customer service training requirements and have years of experience already working UOC streets.</p>	<ul style="list-style-type: none"> • Safer more experienced drivers in your community. • Existing customer knowledge and personalized customer service. • No driver learning curve resulting in fewer missed pick-ups.
Trucks 	<p>Waste Management's fleet of collection vehicles is already in place with years of service ahead. All our vehicles are subject to daily preventive maintenance and safety inspections. Our fleet is maintained to the highest safety standards and is fully compliant with local and federal safety standards.</p>	<ul style="list-style-type: none"> • Trucks are guaranteed ready-to-roll on day one of the new Contract. • Reliable collection vehicles with fewer breakdowns resulting in on-time collections.
Containers 	<p>With Waste Management carts currently deployed in your community, existing equipment inventory knowledge allows for deliveries and swaps to be successfully conducted each day.</p>	<ul style="list-style-type: none"> • Minimized customer confusion associated with swapping out carts and containers. • Local yard guarantees timely and efficient cart delivery services.
Routes and Customer Data 	<p>No changes to current collection schedules will be associated with our transition. Waste Management collection routes were created with eRouteLogistics software and take into account local traffic patterns, truck capacity, and disposal locations.</p>	<ul style="list-style-type: none"> • Maximum route efficiency provides the greatest fiscal value for ratepayers. • Less wear and tear on city streets. • No change in collection schedules ensures the continuation of guaranteed service
Onboard Computing System (OCS) 	<p>Each collection truck that services UOC is already equipped with onboard tablets that display drivers' exact route, all scheduled collections, and relevant account notes such as container placement. The tablets include GPS technology that allows drivers to capture route data in real-time and note the status of each collection (i.e., collected or a service exception).</p>	<ul style="list-style-type: none"> • Customers can obtain a collection estimated time of arrival (ETA) through both our website and mobile app. • Collection statuses minimize the opportunity for missed collections. • Provides customer service reps with near-real-time field data to assist with customer inquiries.

Delivering an Exceptional Customer Service Experience

UOC residents have many options for how and when they interact with Waste Management. Whether via our mobile app, LiveChat, online at wm.com, or by phone, customers want an interaction that is fast, friendly, and convenient. Waste Management's dedicated Customer Service Team supports the County's customers by managing our phone, email, and online customer service functions and are ready to serve the County on day one of the new Contract.

These experienced customer service personnel are already accustomed to working with UOC staff and are familiar with residents and businesses and current Contract services and terms.

Further, the County can always count on reaching the local contract administrator, Hashem Shokair or your experienced designated Recycling Coordinator at any time on their mobile phones – day or night. Waste Management’s local staff are never more than a few minutes away from instant access to information and personalized customer service for not only UOC staff, but all residents and businesses of UOC.

Proven Customer Service Tools and Training Since accurate and clear communication is a cornerstone of our Contract implementation approach, we place significant effort, resources, and time preparing and training our customer service center employees. Training material customized to the County Unincorporateds’ collection services, programs, and rates has already been developed and is currently in-use.

Review and Update Informational Tools. Waste Management will review and update UOC-specific information, including all new program enhancements on our proprietary and already in use CRM application Green Pages. Green Pages is an online database that allows Waste Management Customer Service Representatives (CSRs) to pull up customer-specific service information, service offerings, and rates within a matter of seconds. Each time a mailing is sent out to residents, it is uploaded to Green Pages – allowing agents to reference and look at the same documents that the customer is viewing. Our CSRs use this tool during every call, ensuring that we provide customers with the most accurate service information.

Intensive, Small-Group Training. All CSRs handling County Unincorporated calls regularly receive training in small groups. Before implementation, CSRs will review service offerings specific to the County, with special emphasis placed on contract changes including new rates, programs, policies, and procedures. CSRs will also be provided with copies of all customer mailings distributed in your community.

Increased Staffing. Although it is anticipated that minimal impacts will be associated with a Waste Management new Contract implementation, there may be a call spike during the first couple of weeks of the new Contract due to distribution of service brochures and other customer outreach efforts. In addition, customers occasionally call to request duplicate copies of materials already sent or to confirm their collection schedule. It is critical to prepare for this spike in call volume with additional staffing. As with any new contract implementation, Waste Management’s state-of-the-art customer service center will make sure there is a pool of additional CSRs trained on County Unincorporated-specific issues to help us manage any increases to normal call volume.

Billing Preparation and Considerations. Already having accurate service, contact, and billing information means all aspects of our customers’ experience will go smoothly – from hassle-free pick-ups to accurate commercial invoicing. Our database is continuously updated and maintained. Our staff works diligently to verify account information during each customer interaction, and customers frequently provide updates to phone numbers or payment information themselves via their wm.com account.

If the County Unincorporated selects Waste Management for the new Contract, commercial customers will benefit from continued access to our hassle-free billing and payment options. This is especially valuable as a growing portion of Waste Management customers are accustomed to the convenience of managing their accounts online at wm.com. Likewise, many customers prefer electronic invoices. With any other service provider, customers will be required to start over – creating new online profiles, electing invoice preferences, and if auto-pay is available, resubmitting their payment information. Often, this will result in missed or late payments, causing inconvenience for many customers.

24/7 access to wm.com. Our team will build on the County Unincorporated-specific Waste Management webpage to include meaningful service information, photos, and resources that reflect the changes in the new Contract. Using Waste Management's local website, customers will easily find information about the upcoming Contract transition as well as service information, disposal resources, rates, and recycling resources. Online account management functionality allows customers to:

Initiate service or request additional services.

Schedule an empty and return (roll off customers only).

View pickup schedule and collection ETA.

Schedule an extra pickup or bulky item collection.

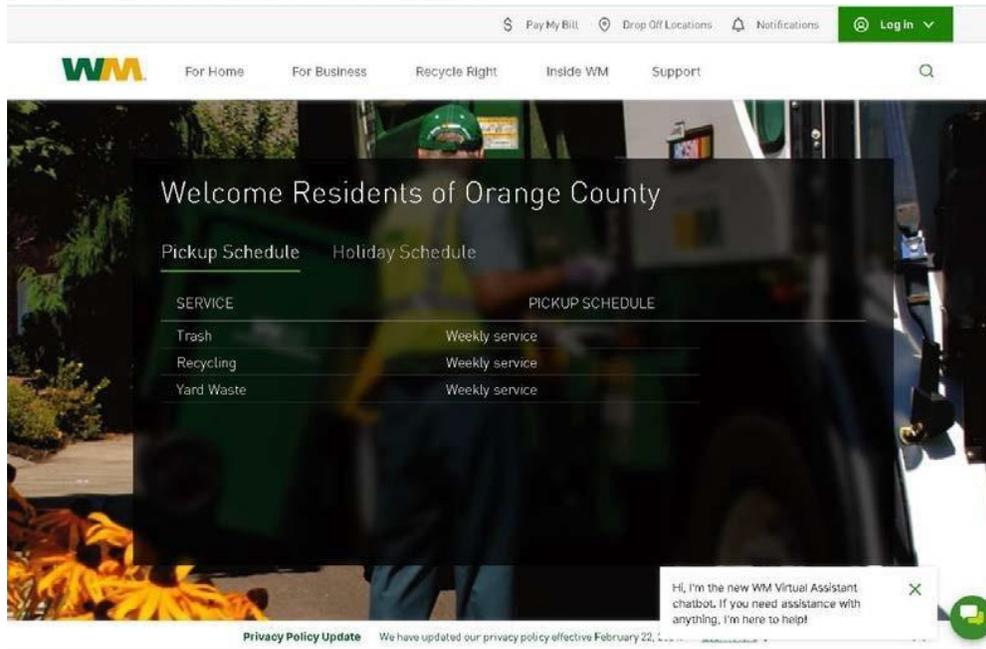
Request cart or container repair.

Edit account contact information.

Communicate with our Customer Service via email or digital chat.

For County Unincorporated Single-family Dwelling, Multifamily Dwelling, and Commercial customers specifically, the website will also contain information about pertinent State mandates such as AB 939, AB 341, AB 1826, and SB 1383 and what constituents need to know to comply. This website will be used to upload various information about the County's organics recycling program such as service guides, flyers, videos, community workshops dates, and more as described in the following sections. In addition, the website will have a Frequently Asked Questions (FAQs) page and a form that will allow customers to submit recycling questions directly to Waste Management's County Unincorporated-dedicated Recycling Coordinator. We will also work with County staff to place a link to the County website and provide information for the County's website, if desired.

Public Education and Outreach Efforts



With Waste Management, the County will not need to dedicate a large portion of public outreach efforts toward collection, customer service, or billing changes that typically go along with a new service provider. Instead, as part of the new Contract, we will focus on informing customers of all newly available services,

changes in California law, and maximizing their knowledge and participation in recycling, reuse, and waste prevention.

Details of Waste Management's extensive education and implementation efforts are highlighted below for each customer type.

Single-Family Dwelling (SFD) Public Education and Outreach Activities

Welcome Letter

By July 1, 2022, we will mail each residential customer a notification to inform them of the new Contract with Waste Management. This letter will contain an overview of key implementation information and changes, and the dates of the town halls, where residents can join Waste Management to learn more information and ask questions. This letter will also contain information about Waste Management programs and offerings, including the bulky item collection program, how to successfully participate in the recycling program (i.e., Contaminants, Dos and Don'ts how to apply for the senior discount, how to contact Customer Service and access the website, and more..

"Please tell WM that my driver Felix, is so wonderful and nice, he does an amazing job, Felix needs to be recognized."

E. Chumchal, Wellington Ave.



Below is a sample Welcome Letter that would be further customized for the County's approval.

WM WASTE MANAGEMENT

UNINCORPORATED ORANGE COUNTY Residential Service Information

Welcome to Waste Management!
Waste Management is proud to be your waste and recycling service provider. This guide will assist you in using your residential service.

To get started, Waste Management provides you with two different wheeled carts: one for recyclables and one for trash. Your trash cart is serviced once per week on your regularly scheduled service day and your recycling cart is serviced once every other week on your service day. Information about what materials should go into each cart are included on the follow page of this guide.

For more information about your residential service, visit Home.wm.com/santa-ana or contact the City of Santa Ana at the number listed in this guide. By working together, we can keep Santa Ana a clean, green community!

ADDITIONAL SERVICES & ACCOUNT UPDATES

- For information on additional services, such as bulky item collection and additional trash or recycle carts, please visit wm.com and type in your address.
- To discontinue service or update the billing information on your account, please visit the City's website, Home.wm.com/santa-ana and complete a Utility Service Termination or Update/Change Form.

CART SERVICE REMINDERS

- Place all materials in the appropriate container and close the lid.
- Material left outside the cart(s) will not be collected.
- Roll carts into street or alleyway and place them against the curb, handles facing your home. Place carts at least two feet apart from other carts and objects.
- Place your carts at the curb by 6:00 a.m. on your service day. Emptied carts should be removed from curbside by 6:00 p.m. on the same day.

HOLIDAY SCHEDULE
Collection service does not occur on the following holidays:

- > New Year's Day > Memorial Day > Independence Day
- > Labor Day > Thanksgiving Day > Christmas Day

When a holiday falls on a weekday, your collection will be delayed one day. If a holiday falls on a Saturday or Sunday, there will be no delays in your service.

CUSTOMER SERVICE
(646) 822-2200

Follow these three simple rules while recycling:

1. Recycle all empty bottles, cans and paper.
2. Keep foods and liquids out of the recycling bin.
3. Keep recyclables loose and not bagged in plastic bags. Take plastic bags back to your local grocer.

FIND DETAILED RECYCLING INFO ON THE BACK OF THIS PAGE.

THINK GREEN.

RECYCLING COLLECTION
Your cart with a Blue Lid is for Recycling Collection. Waste Management and the City are working together to help residents to Recycle Right. Just follow the guidelines below and then place your recycle cart at the curb on your regularly scheduled service day every other week. Because we value your participation, Recycling Collection is being provided at no additional cost to you.

RECYCLE OFTEN. RECYCLE RIGHT.

RECYCLE OFTEN:

- Metal Cans:** Steel and aluminum cans, vegetable, fruit & tuna cans.
- Plastic Bottles & Containers:**
- Paper:** News, newspapers, non-commercial office paper, newspapers, magazines.
- Paper, Cardboard, Dairy & Juice Containers:**
- Flattened Cardboard & Paperboard:**
- Glass Bottles & Jars:**

RECYCLE RIGHT: Things you can do to ensure quality material is recycled:

- Items that should **not** be included in your recycling cart:
 - Food waste
 - Polystyrene cups or containers
 - Plastic bags and film
 - Needles and syringes

TRASH COLLECTION
Your cart with a Black Lid is for Trash Collection. Trash guidelines:

- Trash is household waste that cannot be recycled.
- Cart weight is not to exceed 200 lbs.
- Material should be loosely packed to empty easy (NO paint, batteries, CFL bulbs, oil, electronics or needles).

ADDITIONAL SERVICES
Waste Management provides additional, value-added services in the City of Santa Ana upon request. These services include:

- Septic Pumping
- Portable Toilets
- Propane Service

To find out more about these additional services, contact (714) 558-7761.

ADDITIONAL INFORMATION
Waste Management's website wm.com contains additional information about the following:

- Bulky Item Collection
- Extra Carts
- Billing and Payment Options

RESIDENTIAL HAZARDOUS WASTE
Residential Hazardous Waste, such as household cleaners, paint, fluorescent lightbulbs, motor oil and electronic waste is harmful to the environment and should not be disposed of in your curbside carts.

THINK GREEN.

Sample Welcome Letter

A Comprehensive Service Guide

Immediately following the award of the Contract, we will begin to develop a comprehensive residential guide to services which will be ready for County review by 3rd Quarter of 2021. By January 1, 2022, we will direct mail each SFD customer a comprehensive service guide that highlights what material goes into each container, recycling guides, HHW disposal information, the bulky item collection program, holiday schedule, Customer Service information, and information on how to access local resources to learn about upcoming events through the Waste Management local website. The service guide will also include information on State-mandated programs and what each customer needs to do to comply. New customers throughout the term of the Contract will also receive a welcome packet upon signing up for services with Waste Management.

What Goes Where

Recycling Cart



- Paper**
 - Newspaper
 - Paper
 - Cardboard
 - Paper Envelopes
 - Junk Mail
 - Magazines/Catalogs
 - Phone Books
 - Paper Bags
 - Non-Metallic Wrapping Paper
 - Cardboard
- Metal and Glass**
 - Aluminum Cans
 - Empty Aerosol Cans
 - Tin Cans (Canned Vegetables and Soup)
 - Steel Cans
 - Glass Bottles (Wine, Liquor, Juice)
 - Glass Food Jars (Condiments)
- Plastics**
 - Plastic Bottles (Water, Juice, Soda)
 - Plastic Jugs (Milk and Juice)
 - Plastic Jars (Condiments)

Make sure recyclables are loose, clean, and dry before placing in the recycling bin!



Green Waste Cart



- Acceptable items**
 - Grass
 - Leaves/ Tree Branches
 - Sticks/Brush
 - Plants/Weeds
 - Garden Trimmings
 - Sawdust
- No animal waste, soil, rocks, paper, or plastic.**



Do not place needles, chemicals, paint, fluorescent light bulbs, propane tanks, full or partially full aerosol containers, batteries and electronics, and/or construction debris inside any of your containers. Please refer to the Household Hazardous Waste and Other Disposal Options on the next page for more information on how to properly dispose of these items.

THINK GREEN!

Trash Cart



The trash cart is for household waste that cannot be recycled.

Carts must not be overfilled, and lids should be able to close. Material should be loosely packed so the carts will empty easily.

- Polystyrene Foam (Styrofoam Containers and Packaging)
- Non-Recyclable Plastics
- Plastic Liners/Film
- Food/Grease-Soiled Pizza Boxes
- Paper Towels/Napkins/Tissues
- Paper Plates
- Plastic Utensils
- Soiled Paper Cups
- Wax-Coated Paper Cups
- Pet Waste/Diapers
- Garden Hoses
- Non-Donatable Clothing, Bedding, and Textiles



Do Not Include Plastic Bags or Film

Do not place bagged recyclables or plastic film in your recycling bin as these materials will be deemed as contamination. Plastic bags and film tangle equipment at recycling facilities and contaminate recycling loads. This poses a safety risk to workers and reduces the chances of the item being recycled. If you collect your recyclables in a bag, empty them directly into your cart and reuse the bag. Learn where you can recycle plastic bags and film at plasticfilmrecycling.org.



Avoid Recycling Contamination

Have you ever heard the phrase, "one bad apple spoils the bunch?" The same is true for recycling, where any item that is not recyclable can potentially spoil an entire batch of otherwise good material. Please do not dispose of any trash, furniture, bulky items, food waste, green waste, plastic liners/film, Styrofoam, clothing or textiles, propane tanks, electronic items, or any non-recyclable material into the recycling container as this will be considered contamination. If your container is contaminated, you may be assessed a contamination charge. If your container is excessively contaminated, your container may not be able to be serviced by the recycling truck and it may have to be serviced as trash which will result in an additional charge. Visit wm.com/recycle-right for 24/7 access to recycling education and resources, or contact your local Mission Viejo Recycling Coordinator at MVRecycling@wm.com for further education materials and recycling support.

Waste Management thanks you for your dedication to recycling right and complying with state recycling mandates.



Community Meetings

Waste Management will hold a total of two community meetings in July 2021 and bi-weekly meetings starting December 2021 through January 2022. These meetings will be held virtually, and COVID safe, to introduce customers to new service offerings and review key transition information. These workshops will be led by a designated Waste Management Recycling Coordinator and they will cover state mandates, what should and should not be placed into each container and any other program changes in the new Contract including upcoming SB 1383. Each meeting will have an open question and answer session at the end. Informational meeting dates will be included in all pre-implementation press releases, residential mailings, and will be available on the local website.

Cart Labeling and Carts

Upon award of the Contract, Waste Management will immediately begin designing the label/stamp for SFD carts which will be compliant with CalRecycle’s guidelines for signage. This will be included with all SB 1383 compliant container replacements beginning January 1, 2022. SB 1383 compliant carts will be provided upon customer request for replacement throughout the life of the contract, with all carts being SB 1383 compliant by 2036.

Educational Materials

Waste Management will create an SB 1383-specific educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management’s technologies and processes for recycling organic waste, and what can and cannot be placed into the organics recycling cart. This flyer will be available to be reviewed by the County for modification and final approval. The intent is to have the flyers ready for print by January 2022 so that they may begin to be distributed at community events and workshops and inserted with the direct mailer that is initially sent out in time for the new organics program to commence on

January 1, 2022. It will also remain on the Waste Management local website for reference.

How-to-Video

Waste Management will coordinate with a videographer to produce service video tutorials that residents can easily access to learn how to use their Waste Management source-separated containers, including how to comply with SB 1383.

The video will illustrate how to source separate recyclables and organics waste while explaining what should and should not be placed in each container. It will also highlight some best management practices such as how to keep your organics container clean and how to reduce odor. This video is estimated to begin circulating in the 1st Quarter of 2022. Waste Management will link the videos



on County's local Waste Management website.

Media Outreach

Waste Management will collaborate with County staff to conduct outreach to local media sources. Press releases will be distributed throughout the Contract implementation to promote key implementation messages and dates, new service offerings, and community educational events.

Community Events

Waste Management prides itself on providing a comprehensive community service that focuses on investment within the community through event and organizational sponsorship, recycling education and compliance, and first-class customer service. As part of the education and outreach campaign, Waste Management will have the designated Recycling Coordinator at community events throughout the year. Each event will allow the Recycling Coordinator to distribute educational flyers and speak with members of the community to directly address any questions or concerns. Waste Management typically organizes booths through the event coordinator; however, Waste Management can also come prepared with our own equipment if needed.

School Outreach

As previously stated, Waste Management's approach is intensely local. Our team is involved by participating in community-sponsored events, hosting tours of our facilities for local organizations and residents and working closely with schools to integrate recycling education into their school curriculum. For all schools in the County Unincorporated that request educational presentations or assemblies, Waste

Management's designated Recycling Coordinator will work closely with school staff to coordinate a preferred time and date for the presentation. Regardless if Waste Management is the school's designated hauler, students will benefit from a Waste Management taught presentation as it is assumed that most students live within the County Unincorporated and they can use the recommended practices at home. Waste Management has performed various school presentations throughout Orange County, which have included "Touch-a-Truck" presentation, assemblies, morning announcements, school events, and compost class. Waste Management is also happy to work with school staff, administration, or environmental student organization groups to help kick-off school organics and recycling programs.





Multi-Family Dwelling (MFD) Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of MFD properties, including communications curtailed directly to the tenants and the property managers. Specialized public education resources and outreach efforts for MFD properties will include:

Welcome Letter, Service Guide, and Site Visits

By July 1st, we will mail each MFD property manager or property owner a notification to inform them of the upcoming Contract transition and provide them an overview of key implementation information, changes, and dates. This letter will also contain information about SB 1383, what the new organics recycling program is, when the organics program will commence, and how to successfully participate and sign up for the program. The letter will highlight the contact information of the designated Recycling Coordinator who will conduct a site visit and provide free technical assistance in reviewing collection services, State-mandated programs, and program enhancements to ensure compliance and readiness for the new Contract. The Recycling Coordinator will also help implement a recycling and food waste program at the property and assist with tenant education. This includes the distribution of MFD specific educational materials and service guides to tenants, as well as the in-home food waste pails. The Recycling Coordinator will also be available throughout the term of the Agreement and will work with property management and staff to ensure the MFD is compliant with state mandates.

"Great work trash driver loves his work and is very nice.."

Kelly J., Unincorporated
Rancho Santa Margarita

Included in our initial communications and educational outreach to all MFD property owners and managers will be information on our Multi-Family Bulky Item Collection program.

Educational Materials

Upon award of the Contract, Waste Management will design an educational flyer that describes and illustrates what SB 1383 is what can and cannot be placed into organics recycling carts. This tenant-focused flyer will be provided to all MFD property owners and managers for their tenants and will be distributed at hosted community events and workshops. This easy to use and access flyer is in addition to the MFD Service Guide. All materials distributed will also be posted to the Waste Management local website for easy and quick reference.

Media Outreach and Community Meetings

County of Orange Unincorporated Multi-Family Food Waste Recycling Program

Dear County Unincorporated Resident:
Waste Management invites you to enroll now! Our food waste recycling program makes it easy for you to turn your food waste into renewable energy. Learn more about how to participate in the program by following the steps below.

If you compost, you can participate in this too because we can accommodate many items that are not compostable! Your food waste will be used for the generation of clean, renewable green energy.

SO, HOW DOES THE PROGRAM WORK? IT'S EASY!

1. Simply line your kitchen food waste pail with a small plastic liner. (The facility can accept any plastic bag. Reuse a bread, tortilla, or packaging bag. Paper bags are compostable and cannot be used to collect food waste).
2. Scrape your food waste in the kitchen food waste pail.
3. When the pail is full, securely tie the food waste liner and place it directly inside your green waste cart. **NOTE: Unbagged food waste cannot be collected.**

TIPS FOR MAKING THE MOST OUT OF YOUR FOOD WASTE RECYCLING PROGRAM

- If you are unsure if a certain food scrap can be recycled, it is better to throw it out with the regular garbage than risk contamination.
- Periodically wash kitchen pail out to reduce odors. Odor reducers such as Orange Odor Eliminator or baking soda can help reduce food odor and adds a fresh scent to your home.
- While Waste Management drivers and employees can assist with "quality control" of your outside containers, it is important for you to segregate your materials properly. (See back page sheet for segregation instructions)

Waste Management Customer Service
 CALL: 714-558-7761
 EMAIL: cslosangeles@wm.com
 VISIT: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

Turn Your Food Waste into Renewable Energy!

Our Multi-Family Food Waste Program is as Easy As 1-2-3!

1. Put food scraps in a bag
2. Tie the bag
3. Put the bag of food inside this container

You Can Use Any Plastic Bag
 Reuse a bread, tortilla, or packaging bag, biodegradable or decomposable.

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

How Does The Process Work?
 After your organic waste is picked up from the curb, our drivers take it to our Transfer Station, where the food waste bags are separated from the yard waste. Then, the commercial and residential food waste is combined and brought to the CORE® facility, where we create a Bio-engineered Slurry. That Slurry is then used in the Carson Waste Water Treatment Plant's anaerobic digesters to generate renewable energy!

CORE® Process:
 1. Source-Separated Organics
 2. CORE®
 3. Engineered Slurry Transport
 4. Wastewater Treatment Plant Anaerobic Digester
 5. Renewable Energy

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

Like our SFD customers, MFD tenants and staff will also be invited to the community meetings and have access to the media outreach and videos previously described.

Commercial Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of commercial properties and ensure complete compliance with AB 341, AB 1826 and SB 1383. Customized public education resources and outreach efforts for commercial properties will include:

Welcome Letter

By July 1st, 2021, we will mail each commercial customer a notification to inform them of the upcoming Contract transition. This letter will contain an overview of key implementation information and the dates of the town halls, where they can join Waste Management to learn more information and ask questions. At this time, we will also direct customers to our website and provide the contact details of our dedicated Recycling Coordinator for free technical assistance.

A Comprehensive Service Guide

Immediately following the award of the contract, we will begin to develop a new comprehensive commercial service guide which will be ready for County review by 4th Quarter of 2021. By the 1st Quarter of 2022, we will mail each commercial customer a service guide that contains an overview of: collection and bulk services; acceptable materials for each waste stream; recycling guides; holiday schedules; Customer Service information. and information on how to access local resources and contact the County of Orange-dedicated Recycling Coordinator. The welcome packet will also include information on State- mandated programs such as AB 341, AB 1826, and SB 1383 and what businesses need to do to comply.

Free Recycling Assistance

The City of Mission Viejo and Waste Management are proud to offer businesses free technical assistance and educational materials for recycling and organic recycling services to help ensure your business is compliant with State mandates.

Contact your local Waste Management Mission Viejo Recycling Coordinator at MVR Recycling@wm.com for free assistance with setting up a successful recycling program for your business. Your Recycling Coordinator can provide complimentary education and training materials for staff and assist with right-sizing your services to help you maximize diversion results and cost savings on your waste collection bill.



Recycling and Diversion Programs

Participate in the following recycling and diversion programs to reduce your trash.

Universal and Electronic Waste

Universal and electronic waste products are products that are flammable, corrosive, reactive, or toxic. These products can be dangerous to the public and the environment.

This waste must be disposed of properly, and it is illegal to dispose of hazardous, universal, or electronic waste in your Waste Management containers.

Please visit oclandfills.com/hazardous and click the link for "Business Hazardous Waste Referrals" for safe disposal options near you. For a universal waste collection quote from Waste Management, please contact our Customer Service and they will direct your request to a universal waste specialist.



Assembly Bill 341

California's Mandatory Commercial Recycling Law

On July 1, 2012, Assembly Bill 341 (AB 341) became effective in the State of California. This law requires multi-family complexes with five units or more and businesses that generate at least four cubic yards of solid waste per week to have a recycling program in place. Waste Management is pleased to provide commercial recycling services that can help your business comply with the State Assembly Bill 341.

To sign up for recycling services, contact Waste Management at (949) 642-1191 or Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. The local Recycling Coordinator can provide free technical assistance with setting up a recycling program.

Please do not hesitate to contact your local Waste Management Recycling Coordinator if any questions regarding this mandate, or for more information, visit calrecycle.ca.gov/recycle/commercial. Waste Management will provide all the materials and resources needed to start a successful program!



Assembly Bill 1826

California's Mandatory Commercial Organics Recycling Law

On September 28, 2014, Assembly Bill 1826 (AB 1826) became effective in the State of California. This law requires businesses and multi-family properties to recycle their organic materials, depending on the amount of waste they generate per week.

As part of California's recycling and greenhouse gas (GHG) emissions target, businesses are required to divert landscaping waste, food scraps and foodsoiled paper, while multi-family buildings with five (5) units or more are required to collect and recycle landscape waste only. These organic materials account for nearly one-third of the approximately 30 million tons of waste destined for California's landfills each year.

Diverting organics from landfills reduces landfill GHG emissions and produces sustainable products that contribute to soil health, plant nutrition, water conservation and carbon sequestration. Waste Management is pleased to provide commercial organics recycling services that can help your business comply with State Assembly Bill 1826.

Visit calrecycle.ca.gov/Recycle/Commercial/Organics or contact Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. For more information about this mandate, The local Recycling Coordinator can provide free assistance with setting up an organics program and provide free training and education needed for a successful program!

Holiday Tree Recycling Drop-Off

Annually, Waste Management will collect and recycle holiday trees for the first three weeks following December 25th.

Businesses are welcome to bring their office tree to a Waste Management holiday tree recycling dumpster which will be set up to three (3) designated drop-off locations throughout the City each year.

Please remove all decorations including tinsel, lights, ornaments, and tree stands. Please note, frosted trees will be collected but cannot be recycled.

Plastic/faux trees cannot be accepted.

Visit cityofmissionviejo.org/green or business.wm.com/mission-viejo for drop-off location details.



Bottle and Can Recycle Centers

Recycling bottles and cans makes cents!

You can redeem empty California Redemption Value (CRV) beverage containers at the buy-back centers listed below in Mission Viejo.

Visit www.2.calrecycle.ca.gov/BevContainer/RecyclingCenters/ for additional nearby locations.

Next Generation Recycling
27771 Center Dr., Mission Viejo
(714) 951-5004

Pance Recycling
La Paz Center
25104 Margarita Parkway, Mission Viejo
(714) 794-7542



THINK GREEN!



Site Visits and Technical Assistance

Every commercial customer is eligible for free technical assistance, educational tools, and right-sizing via our Recycling Coordinator. This service is intended to help maximize the effectiveness of customer's recycling programs and also ensure that their services are set up for success. During a scheduled site visit, Recycling Coordinator confirm customer contact information and that services match the data we have on file. They will also provide right-sizing recommendations and offer education and training materials for staff and custodians to ensure compliance with state mandates. This information will be provided in the initial Welcome Letter and Service Guide, as well as be available on the local website.

Key Implementation Tasks and Timeline

For further information regarding planned implementation specifics, please see the following graphic which is intended to provide a visual timeline.

County of Orange

2101-001 - Exclusive Collection and Handling of Discarded Materials - Orange Unincorporated



Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
1	Franchise Award	City	Cityawards contract - April 27, 2021	Q2 2021	1	✓											
2	Internal Monthly WM Meetings	WM	WMdepartments begin planning all aspects of new Contractroll out	Q2 2021	Ongoing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Educationand Outreach Planning	WM/City	ContractLiaison andRecycling Coordinators to begin all design work in preparation for final submission to City	Q2 2021	8	✓	✓	✓	✓	✓	✓	✓	✓				
5	Educationand Outreach	WM	Welcome Letters	Q3 2021	1			✓									
6	Commencement	WM/City	NewContract Begins	Q3 2021	120			✓									
7	Media Production	WM/City	Media Production to commence	Q3 2021	6			✓	✓	✓	✓	✓	✓				

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
8	Education and Outreach	WM	Community Town Halls	Q3 & Q4 2021/Q1 2022	2			✓					✓	✓			
9	Education and Outreach	WM	Multi-Family Outreach for State Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Commercial Outreach	WM	Commercial Outreach for Sate Mandated Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Education and Outreach	WM	Media advertisements and informational videos	Q4 2021 and Q1 2022	4							✓	✓	✓	✓		
12	Education and Outreach	WM	Service Guides	Q1 2022	1								✓				
13	Cart Delivery	WM	Provide New Carts Including SB 1383 Labels	Ongoing	Q1 2022									✓	✓	✓	✓

APPENDIX 5

OUTREACH AND EDUCATION PLAN

OUTREACH AND EDUCATION PLAN

A Partner to Your Community

Proposer shall provide an Outreach and Education Plan which satisfies all requirements of AB 939, AB 341, AB 1826, and SB 1383. This plan shall detail all planned tasks, procedures and schedule to ensure the County's compliance with AB 341, AB 1826, and SB 1383.

Waste Management understands that in today's society, people rely on various forms of communication to get the most up to date information. This is why we have many different methods of connecting with our customers which all share a common goal - to provide clear, concise, and relevant service and educational information. Waste Management wholly intends to achieve full compliance with AB 341, AB 1826, and SB 1383 including all requirements as per the Draft Franchise Agreement throughout the life of the Contract. To achieve this mission, Waste Management understands that a comprehensive education and outreach campaign is required early on to attain the desired recycling behavior and knowledge base among County of Orange Unincorporated residents and businesses.

The following pages will discuss in detail our AB 341, AB 1826, and SB 1383 outreach plan which is designed to ensure continued compliance for the County Unincorporated. This plan will build on our implementation plan as mentioned in the previous section and also go into further description of the ongoing education outreach efforts and processes that will occur throughout the course of the Agreement.

Program	Customer Sector	Details
Dedicated Recycling Coordinator	Residential, Multi-family, Commercial	Upon award of the contract, Waste Management will work to designate a dedicated Recycling Coordinator to assist and carry out education and outreach for residential, multifamily, and commercial customers in the Unincorporated County areas. The Recycling Coordinator will also assist with County Unincorporated facility compliance, School District outreach and assemblies, as well as public events and townhall seminars. The dedicated Recycle Coordinator will be ready by Q1 2022 to assist with state mandated programs. Prior to beginning outreach in the County, the Recycling Coordinator will receive a comprehensive, multi-day educational training program that covers the state mandates, how to perform site visits, how to track compliance and outreach efforts, and explicit services and programs specific to UOC.
Recycling Reporting Software	Residential, Multi-family, Commercial	To further improve the submittal of accurate and organized reports, Waste Management proposes the implementation of a recycling reporting software for the managing, tracking and scheduling of all compliance and outreach communications and activities. This includes contamination monitoring and the tracking of internal programs, including edible food waste recovery. More details of this program are highlighted in the following pages.
Comprehensive Service Guides	Residential, Multi-family, Commercial	Waste Management's Comprehensive Service Guide will be available in print and electronic form for each customer type and will include Waste Management's collection procedure summary and services. This includes but is not limited to how-to's for container collection, information on the bulk program, HHW disposal information, holiday collection schedules, recycling/composting guidelines, waste prevention tips, and Customer Service contact information. In addition, these packets will include information on pertinent laws to the customer type such as AB 341, AB 1826, and SB 1383. As part of the implementation plan, one Welcome Packet will be mailed to each customer in January 2022. In addition, these packets will also be annually mailed to all customer types each year. They will also always remain online throughout the life of the Contract for reference.

Program	Customer Sector	Details
Community Workshops	Residential, Multi-family, Commercial	The Waste Management Recycling Coordinator will host community workshops to discuss recycling programs and services and also offer an opportunity for customers to have a live Q&A. These workshops will cover state mandates, recycling programs, and key Waste Management services and information. The workshops will be bi-weekly in July 2021, and again in December 2021 - January 2022.
Educational Flyers	Residential, Multi-family, Commercial	Waste Management currently has multiple recycling flyers, food waste recycling flyers, and informational flyers that touch on current state mandates. To further add to our library of resources, Waste Management will create new and updated educational flyers, which will include SB 1383. These flyers will provide meaningful information, graphics, and details on how to participate and comply with state mandates and recycling programs. It will include information about edible food recovery and donation. This information will be distributed annually to customers, as well as be available online for each customer type throughout the life of the Contract.
Transcreated materials	Residential, Multi-family, Commercial	Waste Management is a leader in providing culturally appropriate recycling education. We transcreate educational materials by delving into a culture to find relevant products and language. Collection guidelines and educational materials can be translated into various languages upon request.
Edible Food Recovery and Donation	Commercial	Waste Management has a strong partnership with a local food recovery and recycling specialist nonprofit called Waste Not OC. As part of the upcoming SB 1383 requirements, jurisdictions are required to establish and educate constituents about food recovery in order to help achieve the state-wide goal of 20 percent edible food recovery. To assist the County in this feat, Waste Management will create customized educational materials that highlight how and where the County of Orange Unincorporated community can participate in edible food recovery and donation. Waste Management will also work with Waste Not OC and other local nonprofits and businesses to identify opportunities for edible food recovery.
How-to Videos	Residential, Multi-family, Commercial	Waste Management will produce how-to videos in effort to educate customers on how to recycle right and participate in the organics recycling program. Waste Management will coordinate with a videographer upon award of the contract so that the video is ready to circulate by Q1 2022.
AB 341 and AB 1826 Compliance	Multi-family, Commercial	As part of an annual program, the Waste Management Recycling Coordinator will visit each non-compliant business to provide free technical assistance to setup and maintain a successful diversion program. The Recycling Coordinator will work with each non-compliant commercial and multifamily properties to provide education and training for recycling and food waste recycling programs, and also document internal programs, including edible food donation. More details of this program will be discussed in the following pages.
SB 1383 Compliance	Residential	Waste Management's residential SB 1383 education and outreach plan includes welcome letters, service guides, educational flyers and videos, and kitchen food waste pails which will be distributed to SFD customers upon implementation. Educational materials will be available throughout the life of the Contract, in addition to the Recycling Coordinator who will also host community workshops for those who wish to learn more and ask questions about the program. In addition to all that has been mentioned thus far, Waste Management has a detailed contamination monitoring plan via our waste characterization audits coupled with our SMART Truck sm technology. Residential routes that are identified to have unacceptable levels of contamination will receive additional education and outreach. More details of this program will be discussed in the following pages.

Program	Customer Sector	Details
SB 1383 Compliance	Multi-family, Commercial	Waste Management's multifamily and commercial SB 1383 education and outreach plan is an extension of what was previously described above and throughout this proposal thus far. For multi-family/commercial routes that are identified to have unacceptable levels of contamination, these customers will receive additional educational materials and site visits to ensure maximum efforts are exercised in achieving compliance. Waste Management will work directly with business owners and property managers to confirm they are enrolled in the appropriate levels of recycling and food waste recycling service, and that their employees, staff and tenants are also well trained and educated on the program. More details of this program will be discussed in the following pages.
SB 1383 Route Audits	Residential, Multi-family, Commercial	Waste Management will perform route audits for residential and commercial routes, as currently allowed by CalRecycle to monitor contamination. Further details of this process will be described in the following pages.
Website and Social Media	Residential, Multi-family, Commercial	Waste Management uses digital and social media education to inform customers about our services, recycling and food waste recycling programs, and community events. Our local UOC website, home.wm.com/orange-county , is available 24/7 and has the most up-to-date information on services, events and programs. The website will contain a plethora of information in regard to AB 341, AB 1826, and SB 1383, as well as our program services and tips for recycling right. Waste Management will work with UOC staff and our Southern California Communications Team to manage our social media posts and website updates.
Event Education	Residential, Multi-family, Commercial	Waste Management's dedicated Recycling Coordinator will host a recycling and food waste recycling informational booth at community events each year. The Recycling Coordinator will provide educational materials to those who attend and also work with event organizers to provide technical assistance for a zero-waste event.
School Outreach	Commercial: Schools	Waste Management works with schools and environmental clubs to educate students and improve or implement recycling and food waste recycling programs. Activities include lunchtime waste audits, staff and green team trainings and touch-a-truck presentations. This is an ongoing outreach effort that Waste Management offers continuously to schools and/or educational organizations that are interested.

Commercial and Multi-Family Compliance Outreach

The Waste Management Recycling Coordinator will continue to collaborate with the County on education, right-sizing, and the implementation of recycling and organics programs. The Recycling Coordinator will be able to conduct site visits and perform waste assessments to determine customers' collection frequency needs. In addition, the Recycling Coordinator will be able to consult with businesses and coordinate the delivery of the appropriate number and size of containers.

Following is the standardized approach that will be taken for preparing a recycling and food waste recycling diversion plan for each business:

Generator Identification

Each year, the Waste Management's Recycling Coordinator will assist in identifying the County's AB 341 and AB 1826 generators. The Recycling Coordinator will cross-reference previous self-reporting forms and site visit notes to identify customers with internal programs.

Compliance Notification

Once generators are identified, the Recycling Coordinator will work to identify multi-family and commercial customer's AB 341 and AB 1826 compliance status. Upon completion of this task, the Recycling Coordinator will assist in the notification and tracking of customer responses.

Annually, all commercial customers will receive a bill insert that provides information that explains how to comply with State/local mandates such as AB 341, AB 1826, and SB 1383. This flyer will also include information on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers. The County Unincorporated will have the full discretion to alter the flyer as needed and place the County Seal on the letterhead.

Customer Responses

Annually, each non-compliant multi-family and commercial customer under the AB 341, AB 1826 and SB 1383 generation threshold will be notified and contacted by the Recycling Coordinator who will notify them of the associated state recycling and diversion mandates. For noncompliant customers who respond, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit and food waste recycling training. For customers claiming they have an internal program, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further training or education is needed.

Site Visits

On the day of the site visit, the Recycling Coordinator will perform an audit of the customer's waste stream to estimate solid waste, recyclable material, and organics materials generated by the customer. The Recycling Coordinator will also identify locations throughout the property where recyclable and organic materials are generated to further assess the volume produced onsite. For noncompliant customers, the Recycling Coordinator can use the waste characterization summary to recommend service levels and frequencies and provide the associated costs and alternative options if needed. The Recycling Coordinator will be able to refer to the customer's information and rate sheets and propose a right-sized recycling and/or food waste recycling program. If the customer accepts the proposed services, the Recycling Coordinator will organize with Waste Management's Operations team to adjust the account and organize delivery of the recycling and/or organics container.

If a customer has an internal or back-hauling program, the Recycling Coordinator will document and verify that the program is comprehensive and achieves full compliance. Additionally, the Recycling Coordinator can input outreach notes and customer interactions in correspondence with each account and during the site visit.

Training

The Recycling Coordinator will perform recycling and food waste recycling trainings for all non-compliant commercial and multi-family customers to ensure a sustainable and successful program. This training typically does not take more than 20 minutes and it allows for property managers and staff to receive hands-on information about State and/or local mandates, learn about Waste Management's recycling and/or organics program, understand best practices for source separating materials, and ask questions directly to the Recycling Coordinator and/or the UOC's third-party consultant.

Edible Food Recovery

For Tier 1 and Tier 2 customers, or for those who could benefit from a food recovery program, the Recycling Coordinator will educate and assist customers with getting in contact with food recovery organizations within the region. The Recycling Coordinator will maintain a list of local contacts for food donation programs in hopes of supporting the statewide goal of achieving a 20% increase in edible food recovery by 2025.

Additional Resources

All customers will have access to the Waste Management local website, which will showcase information specifically tailored to commercial and multi-family customers. It will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated Recycling Coordinator. The website will also have a link to our informative how-to videos which can be used in training sessions and referred to throughout the life of the Contract.

Residential Compliance Outreach

In addition to the education and outreach efforts as described in the previous section and in the chart from the previous pages, Waste Management will continue SB 1383 residential outreach annually via a direct mailer and residential service guide. This mailer will provide educational information about SB 1383 and meaningful graphics which show how to participate in the program. In addition, the Waste Management Recycling Coordinator will continue to host community workshops to provide program information, highlight sustainable at-home best practices, and answer questions. Lastly, should an SB 1383 route audit result in unacceptable levels of contamination, Waste Management will assist in performing additional education and outreach to the specified routes. This additional, target outreach will include additional flyers and educational materials and door-to-door neighborhood canvassing.

Compliance Monitoring

AB 341 and AB 1826 Monitoring

Waste Management has fully adapted to the UOC's desired monitoring approach, which demands the least inconvenience and impact on residents and businesses. Waste Management will complete all specified education and outreach activities to increase participation in diversion programs and maintain compliance with CalRecycle. As previously stated, Waste Management will annually mail all commercial and multi-family customers an informational flyer that explains how to comply with state/local mandates pertinent to AB 341, AB 1826, and SB 1383. This flyer will also provide details on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local website page for additional resources and information.

Waste Management will also conduct annual site visits for each non-compliant commercial customer under the AB 341 and/or AB 1826 generation threshold. This site visit will serve to confirm continued 100 percent participation in recycling and organics programs, and/or to allow for the Recycling Coordinator to provide free technical assistance and education to commercial customers who have yet to obtain full compliance. If a customer should need additional training, or lack the requirements to obtain full compliance, Waste Management will conduct the same approach that is mentioned previously in the commercial and multi-family outreach section.

SB 1383 Monitoring

Waste Management will perform hauler route reviews for residential and multi-family/commercial routes, as currently allowed by CalRecycle to monitor contamination. We understand that CalRecycle may modify the requirements for measuring contamination and accordingly, the methods may need to be altered.

Unless otherwise directed by CalRecycle and/or the County, we will utilize the hauler route review methodology in accordance with Section 5.6.A (Option 2) and Appendix 6.E.3 (Option 1). Waste Management will conduct these reviews beginning in 2022.

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

CR&R Incorporated (CR&R)

Franchise Area 5 CA-2

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES 38

ARTICLE 5: PROCESSING AND TRANSFER.....39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE’S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL..... 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE48

 SECTION 7.1. THE FRANCHISEE’S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 90

ACCEPTED MATERIALS90

APPENDIX 1-E92

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 92

APPENDIX 2-A 105

RATES FOR RESIDENTIAL SERVICE 105

APPENDIX 2-B106

RATES FOR COMMERCIAL SERVICE 106

APPENDIX 2-C 108

RATES FOR OTHER SERVICES..... 108

APPENDIX 3-A 109

EXAMPLE RATE ADJUSTMENT CALCULATION 109

APPENDIX 3-B110

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 110

APPENDIX 4 112

IMPLEMENTATION AND COMPLIANCE PLAN..... 112

APPENDIX 5 113

OUTREACH AND EDUCATION PLAN..... 113

APPENDIX 6 114

RECORD KEEPING AND REPORTING 114

APPENDIX 7 123

FRANCHISE AREA SPECIFIC PROGRAMS..... 123

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and CR&R Incorporated (CR&R) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 5 CA-2 for the safe Collection, Transport, Recycling, and Disposal of

Discarded Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016 and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 5 CA-2; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA, which is owned and operated by CR&R, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA or South County C&D MRF at 31643 Ortega Highway, San Juan Capistrano, CA, which are owned and operated by CR&R, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to CR&R, Inc. and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 5 CA-2, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 5 CA-2, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 5 CA-2 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 5 CA-2, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a “Transfer”), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants’ and attorneys’ fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee’s Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D).

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

Date: _____

Paul Albarian

Digitally signed by Paul Albarian
DN: cn=PaulAlbarian, o=CountyCounsel,
ou, email=Paul.Albarian@coco.ocgov.com,
c=US

By: _____

Date: 2021.05.11 12:41:51 -07'00'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Collection Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

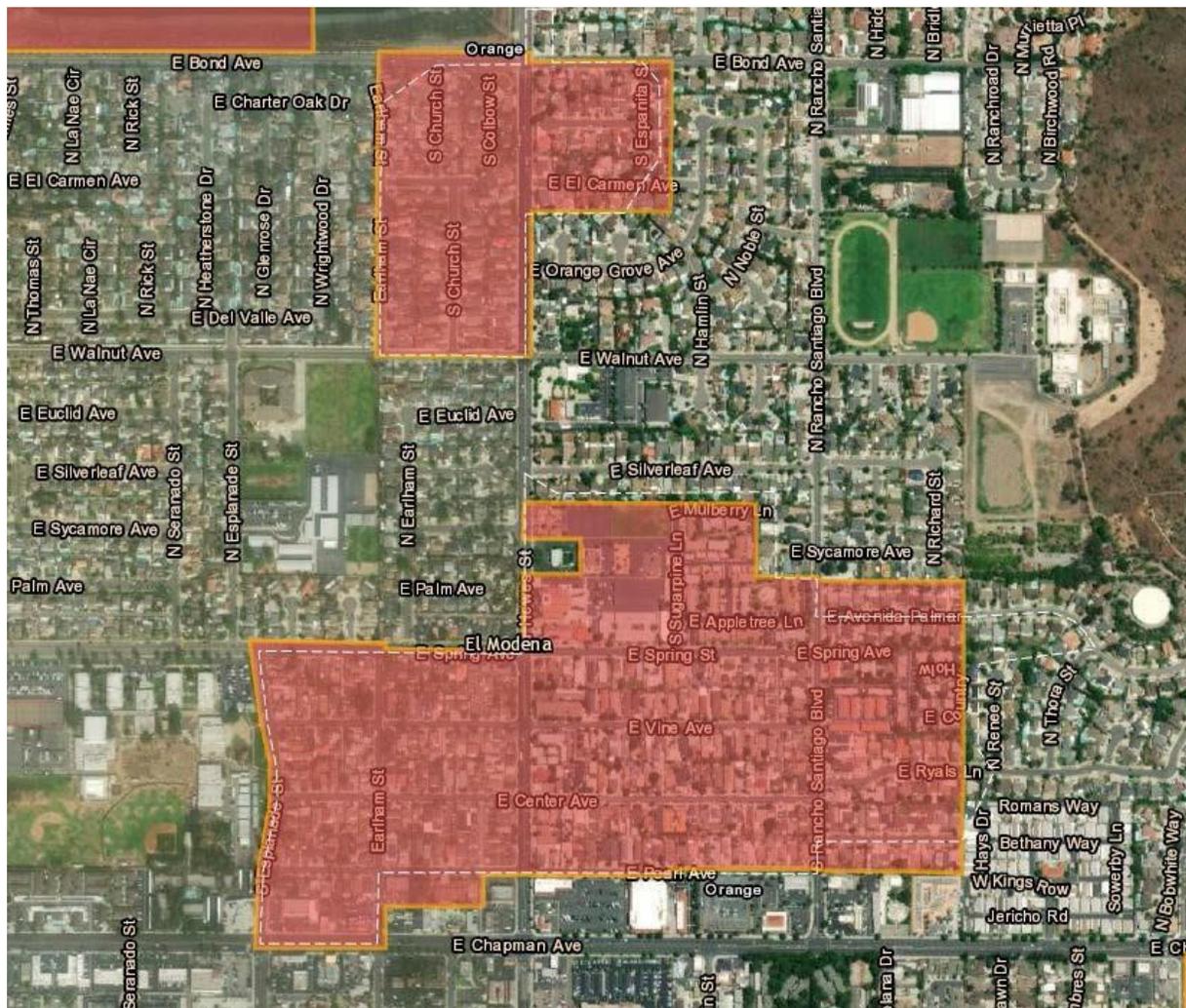
APPENDIX 7

Franchise Area Specific Programs

Franchise Area	Description
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAPS OF COLLECTION AREAS



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

The carts provided by CR&R shall meet all of the design and performance requirements specified in the agreement and comply with SB 1383 regulations.

CR&R proposes the use of Toter (or similar manufacturer) for the use of carts for curbside residential services and as needed for commercial and multi-family service.

Carts are manufactured using medium density polyethylene with the advanced rotational molding process. Rotational molding provides superior strength-to-weight ratio not found in standard injection-molded carts and boast the industry’s lowest warranty claim rate.

Automated Cart Specifications

35 Gallon	Approximately 25” deep x 20” wide x 39” tall Load Rating: 112 lbs. Wheel Diameter: 10”
65 Gallon	Approximately 32” deep x 25” wide x 42” tall Load Rating: 224 lbs. Wheel Diameter: 10”
95 Gallon	Approximately 35” deep x 29” wide x 43” tall Load Rating: 335 lbs. Wheel Diameter: 10”

Cart Load Capacity - Depending on the capacity, the Carts shall have a minimum load capacity as noted below without container distortion, damage, or reduction in maneuverability or any other functions as required herein.

<u>Cart Size (Gallons)</u>	<u>Minimum Load Capacity (LBS)</u>
90-100	200
60-70	130
32-35	70

Cart Color Identification

Carts bodies will be Granite Gray, with different color lids to designate the appropriate material placement: black lids for material to be disposed at the landfill, green lids for organic material and blue lids for recyclable material. Lid colors and labeling will comply with requirements of SB 1383 and be consistent in each permit area.

The following is an image of the proposed cart lids:



Bin Color Identification

Refuse bins will be painted a uniform color of blue with corresponding black lid. Recycling and organics bins are painted a different uniform color with corresponding lids color.

**APPENDIX 1-D
ACCEPTED MATERIALS**

Residential Recycling Program will include the following materials:

Glass	Food and beverage bottles, glass jars and bottles, house windows, liquor, soda and juice bottles, tempered glass, Pyrex
Plastic	PET: soft drink bottles, photo film canisters HDPE: detergent containers, plastic water/milk containers, pails PVC: sprinkler pipe LDPE: trash can liners, shrink wrap, grocery bags PP: yogurt containers, luggage, drinking straws PS: plastic plates, cups, egg cartons, food trays Other: mixed plastic containers, plastic toys
Metal	Empty aerosol cans, metal coat hangers, aluminum cans, tin cans, food and juice jars, empty paint cans, metal foil, lawn furniture
Paper	White paper, colored paper, envelopes, junk mail, phone books, magazines and other soft cover books/manuals, glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper
Cardboard	Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons

Commercial Recycling Program will include the following materials:

Glass	Empty glass beverage containers, empty glass food containers, all glass colors
Metal	Aluminum cans, tin cans
Plastics	Drink bottles, detergent containers, plastic toys, milk containers
Paper	White paper, colored paper, magazines, phone books, newspaper, milk or juice cartons
Cardboard	Cardboard, chipboard/boxboard

Accepted Organic Materials include the following required by CalRecycle for Residential Cart Customers.

Yard Waste	Loose green material from the yard, grass clippings, leaves, weeds, tree and bush prunings, material, vineyard clippings, and tree trunks/stumps/branches 3” or less in diameter
Food Waste	All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials
Compostable Materials	Soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, single use PLA cups, single serve coffee brewing cups and other plant-based utensils; paper take-out boxes and containers, greasy pizza boxes, paper bags and cardboard, and ASTM D6400 biodegradable food service ware designed to disintegrate and biodegrade quickly

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Facility / Address / SWIS #	Owner / Operator	Materials Transported, Processed or Landfilled:
CR Transfer 11232 Knott Avenue, Stanton, CA SWIS#: 30-AB-0013 C&D 30-AB-0462 Green 30-AB-0463	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Mixed solid waste, Commingle Recyclables, Construction and Demolition Materials
CR&R Recycling (Western) Stanton, CA 90680 SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Commingled Recyclables
CR&R Anaerobic Digestion Facility 1706 Goetz, Perris, CA 92570 SWIS#: 33-AA-0239	Owned and operated by CR&R	Residential Green Waste and Food Waste
South Yuma County Landfill 19536 South Avenue 1E, Yuma, AZ SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Green Waste and Food Waste
CR&R EMSW Facility 1706 Goetz, Perris, CA 92570 SWIS#:33-AA-0239	Owned and operated by CR&R	Residual from Commingled Recyclables
South County C&D MRF 31643 Ortega Hwy, San Juan Capistrano, CA SWIS#: 30-AB-0395	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingle Recyclables Processed: Construction and Demolition Materials

DESIGNATED FACILITIES:**Disposal Facilities (Gray Container Waste and Residual Waste):**

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service

obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facility(ies) and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H. FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

I. NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this

Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

J. APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract

agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce

Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS (ORGANICS IN GRAY CONTAINER):

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y. COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z. MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

CR&R
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 5 CA-2

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 5 CA-2
		El Modena Islands
1	Basic Service - # of Accts (1)	\$ 19.99
2	Senior Discount - 10%	\$ 17.99
3	Extra Recycling Cart - # of Carts	\$ 3.67
4	Extra Organics Cart - # of Carts	\$ 7.05
5	Extra Waste Cart - # of Carts	\$ 7.53
6	Extra Bulky Item Pickup Above 3 per Year	\$ 32.38
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 32.38
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**FRANCHISE AREA 5 CA-2
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 5 CA-2**

Monthly Rates*

Row	Service Level	FA5 CA-2 El Modena Islands
	2 CY Refuse Bin	
1	1x/week	\$ 151.64
2	2x/week	\$ 280.53
3	3x/week	\$ 399.76
4	4x/week	\$ 513.02
5	5x/week	\$ 622.04
6	6x/week	\$ 727.78
7	Extra Pickup	\$ 75.82
	3 CY Refuse Bin	
8	1x/week	\$ 162.47
9	2x/week	\$ 300.57
10	3x/week	\$ 428.31
11	4x/week	\$ 549.66
12	5x/week	\$ 666.47
13	6x/week	\$ 779.77
14	Extra Pickup	\$ 81.23
	4 CY Refuse Bin	
15	1x/week	\$ 173.30
16	2x/week	\$ 320.61
17	3x/week	\$ 456.86
18	4x/week	\$ 586.31
19	5x/week	\$ 710.90
20	6x/week	\$ 831.75
21	Extra Pickup	\$ 86.65
	Locked 3 CY Refuse Bin	
22	1x/week	\$ 187.47
23	2x/week	\$ 346.82
24	3x/week	\$ 494.22
25	4x/week	\$ 634.24
26	5x/week	\$ 769.02
27	6x/week	\$ 899.75
28	Extra Pickup	\$ 93.73
	Locked 4 CY Refuse Bin	
29	1x/week	\$ 198.30
30	2x/week	\$ 366.86
31	3x/week	\$ 522.77
32	4x/week	\$ 670.89
33	5x/week	\$ 813.45
34	6x/week	\$ 951.74
35	Extra Pickup	\$ 99.15
	2 CY Organics Bin	
36	1x/week	\$ 203.58
37	2x/week	\$ 376.62
38	3x/week	\$ 536.69
39	4x/week	\$ 688.75
40	5x/week	\$ 835.11
41	6x/week	\$ 977.08
42	Extra Pickup	\$ 101.79
	Manure Collection	
43	Specify Container Size: 2 CY	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**MULTI-FAMILY AND COMMERCIAL CART
RATES AND SERVICE LEVELS
FRANCHISE AREA 5 CA-2**

Monthly Customer Rates*

Row	Service Level	Franchise Area 5 CA-2
		El Modena Islands
65-Gallon Organics Cart		
1	1x/week	\$ 158.10
2	2x/week	\$ 292.49
3	3x/week	\$ 416.80
Any Size Refuse Cart		
4	1x/week	\$ 102.63
5	2x/week	\$ 189.86
6	3x/week	\$ 270.56
7	4x/week	\$ 347.21
8	5x/week	\$ 421.00
9	6x/week	\$ 492.57
Any Size Recycling Cart		
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

**CR&R
ROLL-OFF CONTAINER RATES
FRANCHISE AREA 5 CA-2**

Customer Rates

Row	Service Level	Franchise Area 5 CA-2
		El Modena Islands
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 493.00
2	Over 40 CY Roll-Off	\$ 493.00
3	21-30 CY Compactor	\$ 565.90

**CR&R
RATES FOR OTHER SERVICES
FRANCHISE AREA 5 CA-2**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 5 CA-2
		El Modena Islands
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 70.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling

Annual Exclusive Franchise Fee Adjustment

Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	-------

Franchise Fee

Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous	=	Increase
\$300,000.00 (A)	X	(2.42%)	=	\$7,267.88 (B)

Franchise Fee

Effective
1-Jul-2021(A) + (B) = **\$307,267.88**

CPI for All Urban Consumers (CPI-U)

Original Data Value

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
 2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

COUNTY OF ORANGE IMPLEMENTATION PLAN OF ACTION (IPOA)											
Programs and Tasks	Agency Responsible	Year: 2021									
		March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Franchise Approval	County			X							
1. Asset Purchases											
Vehicles Ordered	CR&R		X								
Residential Containers Ordered	CR&R		X								
Negotiate Existing Container Deal w/ Incumbent Hauler(s)	CR&R			X	X						
Commercial Bins Ordered	CR&R		X								
Order Container and Bin Decals	CR&R			X							
2. Brochures and Outreach											
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County			X	X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Recycling Guide and outreach items	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X	X			
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X	X					
County Specific Website Pages for County approval	CR&R			X	X	X					
Commence Recycling Outreach & Field Surveys	CR&R			X	X	X	X				
Community workshops	CR&R			X	X	X					
Quarterly Newsletters	CR&R									X	
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X					X
3. Customer Information											
Preliminary Review of Existing Customer Data Base	CR&R			X	X						
Identify Multiple-cart customers and contact as needed	CR&R			X	X	X					
Route Sheets reviewed and revised	CR&R			X	X						
Customer Data Base Updated with Route #'s	CR&R				X						
Multi-Family Customers Identified and Routed	CR&R				X						
Commercial Field Surveys start/finish	CR&R			X	X	X					
4. Start-Up											
County Staff meeting(s)	County & CR&R	X	X	X	X	X	X	X	X	X	X
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained (as needed)	CR&R			X	X						
Driver Interviews and Offers (as needed)	CR&R			X	X						
Driver Training (as needed)	CR&R			X	X						
CSR Manual Completed	CR&R			X	X						
Route Supervisor(s) identified	CR&R			X	X						
Residential Container and Kitchen Pail deliveries (as needed)	CR&R				X						
Commercial Bin deliveries (as needed)	CR&R				X						
Commence Service	CR&R					X					
Residential Commingled Characterization Studies	CR&R									X	
Commercial MSW Characterization Studies	CR&R									X	
Roll-off MSW Permanent Characterization Studies	CR&R									X	
Commercial Organics Characterization Studies	CR&R									X	
Roll-off C&D Characterization Studies	CR&R									X	

APPENDIX 5

OUTREACH AND EDUCATION PLAN

APPENDIX 5 - Outreach & Education Plan											
COUNTY OF ORANGE PUBLIC OUTREACH & EDUCATION PLAN											
Tasks	Agency Responsible	Year:2021									
		Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Award of Contract	County			X							
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained	CR&R			X	X						
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County				X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Brochures	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X				
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X						
County Specific Website Pages for County approval	CR&R			X	X						
Commence Recycling Outreach & Field Surveys	CR&R			X	X						
Community workshops	CR&R			X	X						
Quarterly Newsletters	CR&R								X		
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X				X	

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

APPENDIX 7

FRANCHISE AREA SPECIFIC PROGRAMS

A. ANNUAL SHREDDING EVENT

Franchisee shall conduct a shredding event annually at no additional charge.

B. RESIDENTIAL COMPOST GIVEAWAY

Franchisee shall conduct a compost give-away event annually at no additional charge. Compost will be pre-bagged in one-yard bags or mutually agreed upon by the County and Franchisee.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

**Waste Management Collection and Recycling, Inc.
dba Waste Management of Orange County**

Franchise Area 6

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION..... 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES..... 38

ARTICLE 5: PROCESSING AND TRANSFER.....39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE48

 SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS..... 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 55

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAPS OF FRANCHISE AREA86

APPENDIX 1-C 88

CONTAINER SPECIFICATIONS 88

APPENDIX 1-D 91

ACCEPTED MATERIALS91

APPENDIX 1-E93

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 93

APPENDIX 2-A 107

RATES FOR RESIDENTIAL SERVICE 107

APPENDIX 2-B108

RATES FOR COMMERCIAL SERVICE 108

APPENDIX 2-C 110

RATES FOR OTHER SERVICES..... 110

APPENDIX 3-A 111

EXAMPLE RATE ADJUSTMENT CALCULATION 111

APPENDIX 3-B112

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 112

APPENDIX 4 114

IMPLEMENTATION AND COMPLIANCE PLAN..... 114

APPENDIX 5 129

OUTREACH AND EDUCATION PLAN.....129

APPENDIX 6 135

RECORD KEEPING AND REPORTING 135

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 6 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 6; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, or Centralized Organic Recycling Facility at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management that is an Organic Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Waste Management Orange MRF at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the Waste Management Sunset Environmental at 16122 Construction Circle West, Irvine, CA 92606, which is owned and operated by Waste Management, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of

Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 6, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 6, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 6 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 6, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray

Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

(A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and

compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

- (1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.
- (2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.
- (3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.
- (4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

PaulAlbarian

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County Counsel,
ou, email=Paul.Albarian@coco.ocgov.com,
c=US

By: _____

Date: 2021.05.11 12:43:00 -0700'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Maps of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Special Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

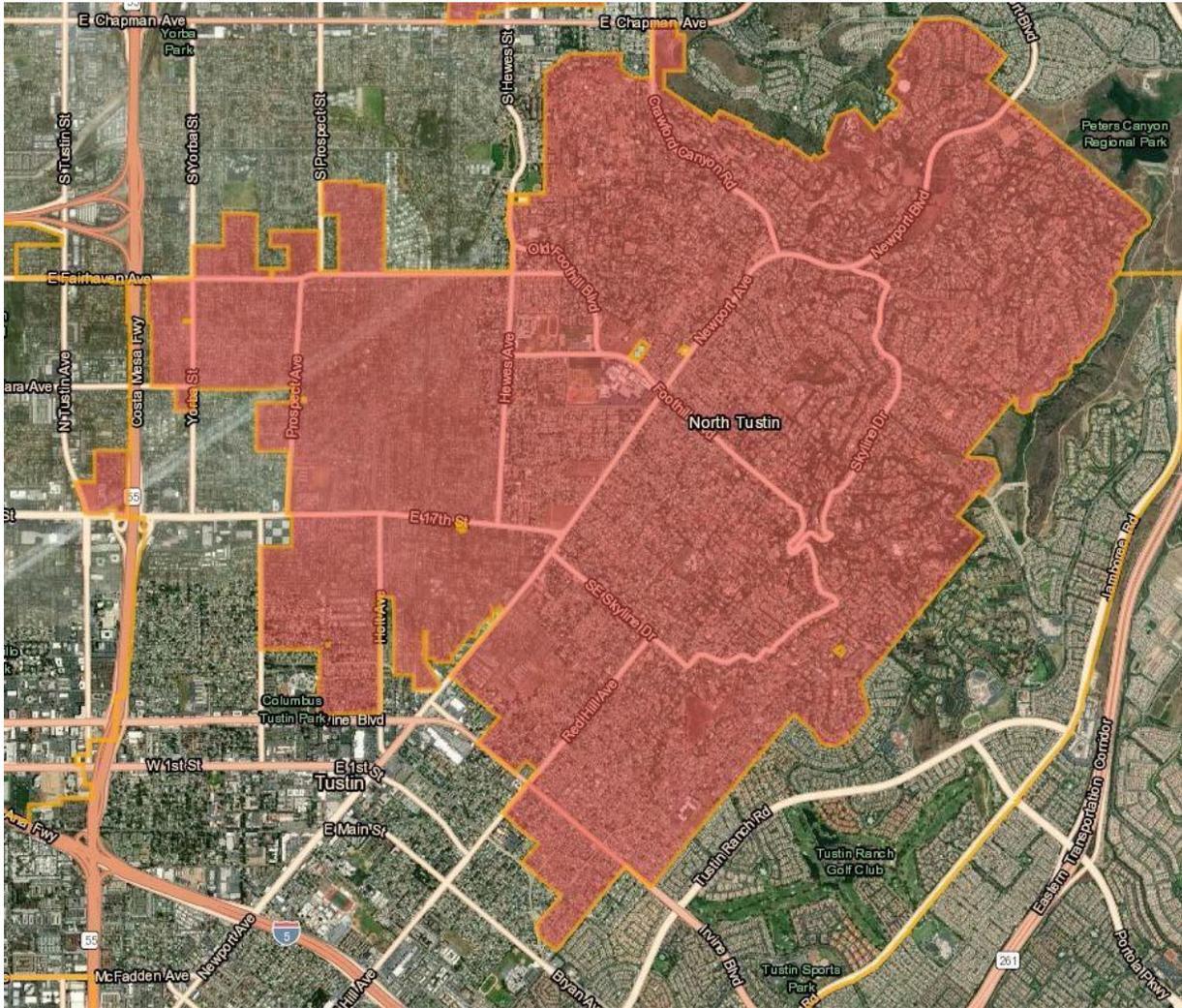
MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAPS OF FRANCHISE AREA





**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

35 GALLON EG

Capacity	35 Gallon
Model	35EG
Height	38.50"
Width	18.50"
Depth	24.10"
Load Rating	122.5 lbs.
Carts Per Stack	10 high/1,260 per truckload

**65 GALLON EG**

Capacity	65 Gallon
Model	65EG
Height	40.58"
Width	26.70"
Depth	28.11"
Load Rating	227.5 lbs.
Carts Per Stack	13 high/936 per truckload

**95 GALLON EG**

Capacity	95 Gallon
Model	95EG
Height	43.50"
Width	29.20"
Depth	33.30"
Load Rating	332.5 lbs.
Carts Per Stack	13 high/702 per truckload

Colors are available in all sizes.



Sample Waste Management Containers



Sample Waste Management Roll Offs



**APPENDIX 1-D
ACCEPTED MATERIALS**

SINGLE STREAM RECYCLABLE MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Paper	
<ul style="list-style-type: none"> White paper, colored paper, envelopes, junk mail, soft cover books/manuals glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper 	<ul style="list-style-type: none"> Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hard cover books/manuals, Tyvek (non-tearing) envelopes, and non-paper bags
Cardboard	
<ul style="list-style-type: none"> Cardboard, Chipboard/boxboard, Milk/juice cartons, Egg cartons 	<ul style="list-style-type: none"> Waxed cardboard
Aluminum and Tin	
<ul style="list-style-type: none"> Empty aluminum cans, Empty aerosol cans Tin cans, Loose jar lids 	
Glass	
<ul style="list-style-type: none"> Glass including empty glass beverage containers, Empty glass food containers, all glass colors 	<ul style="list-style-type: none"> Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material
Plastic	
<ul style="list-style-type: none"> Empty PET bottles #1, HDPE bottles #2, Plastics #3, #4, #6 and #7, HDPE bottles #5 	<ul style="list-style-type: none"> Plastic liners (i.e. Cereal bags), Bubble wrap, Plastic film
Other	
	<ul style="list-style-type: none"> Wood furniture, Styrofoam, Solid Waste, Hazardous Waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste and small manufactured goods (e.g. purses, handbags and backpacks)

ORGANIC MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Source-Separated Food Waste	
<ul style="list-style-type: none"> All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silver Ware, play plates, cups, glasses, diapers, solid waste single stream recyclable materials, green waste materials, food processing liquids, hazardous waste, Kitty litter, pet waste, rocks, dirt Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Co-Collected Green Waste and Food Waste	
<ul style="list-style-type: none"> Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter, all food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Food Processing Liquids, Hazardous Waste Polystyrene plastic backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined wrap, kitty litter, pet waste, rocks, dirt, and tree trunks, stumps and branches greater than 6" in diameter Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Source-Separated Manure	
<ul style="list-style-type: none"> Manure, wood shavings and stable bedding 	<ul style="list-style-type: none"> Trash, landscaping waste, recyclables or plastic liners/film

Refuse	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Garbage	
<ul style="list-style-type: none"> All refuse and garbage such as plastic bags and film, diapers, pet waste, polystyrene foam, wax coated paper products, plastic utensils, dishware, ceramics, hardcover books, garden hoses, non-donatable clothing/textiles, non-recyclable plastics, and small manufactured goods (e.g. purses, handbags and backpacks) 	<ul style="list-style-type: none"> Items acceptable in the single stream recyclable and organic material list, as well as hazardous waste, electronic waste, construction debris and bulky items

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A.GENERAL REOUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Transfer Facilities

Transfer Facility		
	i. The name and address of the facility;	Waste Management Sunset Environmental 16122 Construction Circle West, Irvine, CA 92606
	ii. Owner	Sunset Environmental is solely owned and operated by Waste Management Collections and Recycling, Inc.
	iii. SWIS ID	30-AB-0336

Processing Facilities

MRF		
	i. The name and address of the facility;	Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Orange MRF is solely owned and operated by Waste Management, Inc.
	iii. SWIS ID	30-AB-0363

Organics (Source separated green waste with co-mingled food waste)		
	i. The name and address of the facility;	Tierra Verde Industries 8065 Marine Way, Irvine, CA 92618
	ii. Owner	Tierra Verde Industries
	iii. SWIS ID	30-AB-0403

Organics (Source separated commercial food waste)		
	i. The name and address of the facility;	Centralized Organic Recycling (CORE) Facility Located at Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Waste Management owns and operates this facility.
	iii. SWIS ID	30-AB-0363

DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F ACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee’s contracts. County, or its agent, will have the right to seek verification of Franchisee’s reported aggregate capacity through inspection of pertinent sections of Franchisee’s contracts with such entities to determine the duration of Franchisee’s commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee’s office and will not retain any copies of review material. Franchisee will fully cooperate with the County’s request and provide County and its agent(s) or access to Franchisee’s records.
- 2) Franchisee’s Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor’s guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee’s obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities.

Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H.FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

I.NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that

will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH:

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials,

SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS (ORGANICS IN GRAY CONTAINER):

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y. COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z. MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

WASTE MANAGEMENT
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 6

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 6
		North Tustin and Musick Facility
1	Basic Service - # of Accts (1)	\$ 23.85
2	Senior Discount - 10%	\$ 21.47
3	Extra Recycling Cart - # of Carts	\$ 7.00
4	Extra Organics Cart - # of Carts	\$ 10.00
5	Extra Waste Cart - # of Carts	\$ 10.00
6	Extra Bulky Item Pickup Above 3 per Year	\$ 35.00
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 15.00
	Other Services	
9	Special access vehicle P6Z (3)	\$ 36.50
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	\$ 32.85
11	Private Roads/Valet Service - Burro P6X(4)	\$ 45.00
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 6**

Monthly Rates*		
Row	Service Level	Franchise Area 6
		North Tustin and Musick Facility
2 CY Refuse Bin		
1	1x/week	\$ 220.00
2	2x/week	\$ 424.00
3	3x/week	\$ 636.00
4	4x/week	\$ 848.00
5	5x/week	\$ 1,060.00
6	6x/week	\$ 1,272.00
7	Extra Pickup	\$ 85.00
3 CY Refuse Bin		
8	1x/week	\$ 260.00
9	2x/week	\$ 504.00
10	3x/week	\$ 756.00
11	4x/week	\$ 1,008.00
12	5x/week	\$ 1,260.00
13	6x/week	\$ 1,512.00
14	Extra Pickup	\$ 95.00
4 CY Refuse Bin		
15	1x/week	\$ 280.00
16	2x/week	\$ 540.00
17	3x/week	\$ 816.00
18	4x/week	\$ 1,098.00
19	5x/week	\$ 1,360.00
20	6x/week	\$ 1,632.00
21	Extra Pickup	\$ 105.00
Locked 3 CY Refuse Bin		
22	1x/week	\$ 305.00
23	2x/week	\$ 554.00
24	3x/week	\$ 811.00
25	4x/week	\$ 1,068.00
26	5x/week	\$ 1,325.00
27	6x/week	\$ 1,582.00
28	Extra Pickup	\$ 80.00
Locked 4 CY Refuse Bin		
29	1x/week	\$ 325.00
30	2x/week	\$ 590.00
31	3x/week	\$ 871.00
32	4x/week	\$ 1,148.00
33	5x/week	\$ 1,425.00
34	6x/week	\$ 1,702.00
35	Extra Pickup	\$ 85.00
2 CY Organics Bin		
36	1x/week	\$ 255.00
37	2x/week	\$ 494.00
38	3x/week	\$ 741.00
39	4x/week	\$ 988.00
40	5x/week	\$ 1,235.00
41	6x/week	\$ 1,482.00
42	Extra Pickup	\$ 90.00
Manure Collection		
43	Specify Container Size: <u>2 cubic yard</u>	
44	1x/week	N/A
45	2x/week	N/A
46	3x/week	N/A
47	4x/week	N/A
48	5x/week	N/A
49	6x/week	N/A
50	Extra Pickup	N/A
51	Recycling Bin (all sizes): Recycling Bins & Extra Pickups at no additional charge	

K 11

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 6**

Monthly Customer Rates*

Row	Service Level	Franchise Area 6
		North Tustin and Musick Facility
	65-Gallon Organics Cart	
1	1x/week	\$ 102.00
2	2x/week	\$ 199.00
3	3x/week	\$ 299.00
	Any Size Refuse Cart	
4	1x/week	\$ 95.00
5	2x/week	\$ 186.00
6	3x/week	\$ 279.00
7	4x/week	\$ 372.00
8	5x/week	\$ 465.00
9	6x/week	\$ 558.00
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

**WASTE MANAGEMENT
ROLL-OFF CONTAINER RATES
FRANCHISE SERVICE AREA 6**

Customer Rates

Row	Service Level	Franchise Area 6
		North Tustin and Musick Facility
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 509.00
2	Over 40 CY Roll-Off	\$ 605.00
3	21-30 CY Compactor	\$ 605.00

**WASTE MANAGEMENT
RATES FOR OTHER SERVICES
FRANCHISE AREA 6**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 6
		North Tustin and Musick Facility
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 110.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.363	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
Annual Exclusive Franchise Fee Adjustment
Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	-------

Franchise Fee
Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee
Effective
1-Jul-2021

(A) + (B) = \$307,267.88

Attachment H

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

							3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%						

Average of 12 previous months Year over Year
2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

IMPLEMENTATION AND COMPLIANCE PLAN

A Seamless Implementation with a Trusted Partner

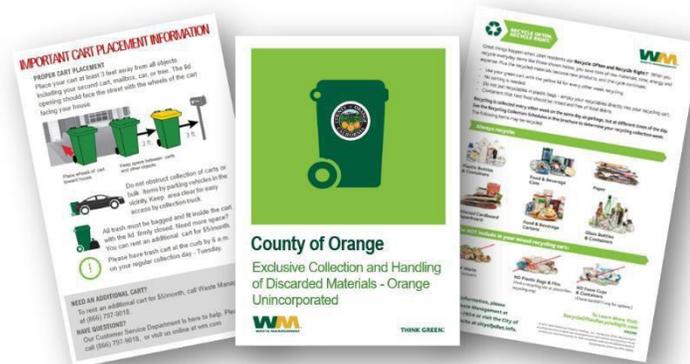
Proposers should provide an implementation schedule that demonstrates that your company has the ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements. The plan should include detailed planned tasks, procedures and schedule to ensure the County's compliance with all applicable laws and regulations. The plan should include but not be limited to programs the proposer will implement in order to be in compliance with AB 341, AB 1826, SB 1383, and related regulations. Proposer shall identify which method they plan to use to achieve SB 1383 compliance (1 bin, 2 bin, 3 bin, 3+ bin, or Performance Based).

Transition Implementation

Our Commitment to the County – A Risk-Free Implementation

The County has relied on Waste Management as your local service provider decades. Throughout our partnership with UOC, we have shown our dedication to continuous improvement - better processes, more efficient procedures, and investments in technologies that enhance our collection capabilities and customer service.

Transitioning service providers would require rebuilding an already successful program from the ground up. With all service requirements already in place, our team is able to concentrate on delivering dependable



Sample Images of Welcome Packets

collection and enhancing your residents' experience from the moment the contract is awarded. Our team's experience in the County is unparalleled and we would provide the least disruption to customers during the transition to the new Agreement.

In addition to our already founded local team, Waste Management will be designating one dedicated Recycling Coordinator for the County of Orange Unincorporated to ensure a robust implementation plan is achieved and maintained.

The Recycling Coordinator will be ready by January 1, 2022 to ensure they are trained and involved in the SB 1383 implementation process. Together, the Recycle Coordinator, your local contract administrator, Hashem Shokair, and our local Operations team will be available to assist the County and its residents and businesses throughout the contract transition and program implementations.

The benefits for continuing to work with Waste Management are quantifiable and significant. We offer:

Established and reliable collection services.

We already have the vehicles, collection equipment, operations site, fueling station, processing facilities, account data, and systems in place to offer a risk- and disruption-free implementation.

Invaluable experience.

Our experienced drivers know every road and customer in your community, and our knowledgeable local staff is already well-versed in UOC contract terms and service offerings. Further, we leverage lessons learned to offer proven public education and outreach strategies for communicating available services, resources, and maximizing customer participation.

Existing relationships.

Over the years, Waste Management staff members have worked hard to become a trusted community partner. We have built meaningful relationships with County staff, your customers, and local groups and organizations. We will continue to collaborate with these partners to advance service offerings, problem solve, innovate, and support the vitality of the UOC community.

A commitment to continuous improvement.

We seek to continuously improve our services and offer the latest and greatest technologies and innovations in sustainability and integrated operational technology.



A little fan from Santa Ana surprised Driver Robin Saucedo with snacks and a bottle of ice-cold water during his weekly collection day. A great reminder that we're all in this together!

If Waste Management is selected as the service provider for the County's new Contract, we will manage the implementation with meticulous care. Below we have outlined our approach to the most critical components of the new Contract implementation, including equipment and resources, customer service, billing, and public education considerations.

Critical Collection Equipment and Resources in Place Today

Key to all successful new contract implementations is having the most basic collection equipment and resources in place, tested, and proven. We understand one of the County's top priorities is for their collection partner to deliver the base collection services - confirming customers have containers to put materials into and that material is collected on-time and in a professional and safe manner.

All of Waste Management's UOC collection equipment and resources are already in place, eliminating any opportunity for customer disruption associated with delays and equipment problems that are often associated with new contract implementations. Further, our local Operations Team has decades of experience managing current route schedules. This means that swaps of new containers will be seamless to the residents' normal routines.

Core Collection Equipment and Resources		
	Waste Management Competency	Benefits to the UOC Community
Drivers 	<p>Management employees have successfully completed rigorous safety and customer service training requirements and have years of experience already working UOC streets.</p>	<ul style="list-style-type: none"> • Safer more experienced drivers in your community. • Existing customer knowledge and personalized customer service. • No driver learning curve resulting in fewer missed pick-ups.
Trucks 	<p>Waste Management's fleet of collection vehicles is already in place with years of service ahead. All our vehicles are subject to daily preventive maintenance and safety inspections. Our fleet is maintained to the highest safety standards and is fully compliant with local and federal safety standards.</p>	<ul style="list-style-type: none"> • Trucks are guaranteed ready-to-roll on day one of the new Contract. • Reliable collection vehicles with fewer breakdowns resulting in on-time collections.
Containers 	<p>With Waste Management carts currently deployed in your community, existing equipment inventory knowledge allows for deliveries and swaps to be successfully conducted each day.</p>	<ul style="list-style-type: none"> • Minimized customer confusion associated with swapping out carts and containers. • Local yard guarantees timely and efficient cart delivery services.
Routes and Customer Data 	<p>No changes to current collection schedules will be associated with our transition. Waste Management collection routes were created with eRouteLogistics software and take into account local traffic patterns, truck capacity, and disposal locations.</p>	<ul style="list-style-type: none"> • Maximum route efficiency provides the greatest fiscal value for ratepayers. • Less wear and tear on city streets. • No change in collection schedules ensures the continuation of guaranteed service
Onboard Computing System (OCS) 	<p>Each collection truck that services UOC is already equipped with onboard tablets that display drivers' exact route, all scheduled collections, and relevant account notes such as container placement. The tablets include GPS technology that allows drivers to capture route data in real-time and note the status of each collection (i.e., collected or a service exception).</p>	<ul style="list-style-type: none"> • Customers can obtain a collection estimated time of arrival (ETA) through both our website and mobile app. • Collection statuses minimize the opportunity for missed collections. • Provides customer service reps with near-real-time field data to assist with customer inquiries.

Delivering an Exceptional Customer Service Experience

UOC residents have many options for how and when they interact with Waste Management. Whether via our mobile app, LiveChat, online at wm.com, or by phone, customers want an interaction that is fast, friendly, and convenient. Waste Management's dedicated Customer Service Team supports the County's customers by managing our phone, email, and online customer service functions and are ready to serve the County on day one of the new Contract.

These experienced customer service personnel are already accustomed to working with UOC staff and are familiar with residents and businesses and current Contract services and terms.

Further, the County can always count on reaching the local contract administrator, Hashem Shokair or your experienced designated Recycling Coordinator at any time on their mobile phones – day or night. Waste Management’s local staff are never more than a few minutes away from instant access to information and personalized customer service for not only UOC staff, but all residents and businesses of UOC.

Proven Customer Service Tools and Training Since accurate and clear communication is a cornerstone of our Contract implementation approach, we place significant effort, resources, and time preparing and training our customer service center employees. Training material customized to the County Unincorporateds’ collection services, programs, and rates has already been developed and is currently in-use.

Review and Update Informational Tools. Waste Management will review and update UOC-specific information, including all new program enhancements on our proprietary and already in use CRM application Green Pages. Green Pages is an online database that allows Waste Management Customer Service Representatives (CSRs) to pull up customer-specific service information, service offerings, and rates within a matter of seconds. Each time a mailing is sent out to residents, it is uploaded to Green Pages – allowing agents to reference and look at the same documents that the customer is viewing. Our CSRs use this tool during every call, ensuring that we provide customers with the most accurate service information.

Intensive, Small-Group Training. All CSRs handling County Unincorporated calls regularly receive training in small groups. Before implementation, CSRs will review service offerings specific to the County, with special emphasis placed on contract changes including new rates, programs, policies, and procedures. CSRs will also be provided with copies of all customer mailings distributed in your community.

Increased Staffing. Although it is anticipated that minimal impacts will be associated with a Waste Management new Contract implementation, there may be a call spike during the first couple of weeks of the new Contract due to distribution of service brochures and other customer outreach efforts. In addition, customers occasionally call to request duplicate copies of materials already sent or to confirm their collection schedule. It is critical to prepare for this spike in call volume with additional staffing. As with any new contract implementation, Waste Management’s state-of-the-art customer service center will make sure there is a pool of additional CSRs trained on County Unincorporated-specific issues to help us manage any increases to normal call volume.

Billing Preparation and Considerations. Already having accurate service, contact, and billing information means all aspects of our customers’ experience will go smoothly – from hassle-free pick-ups to accurate commercial invoicing. Our database is continuously updated and maintained. Our staff works diligently to verify account information during each customer interaction, and customers frequently provide updates to phone numbers or payment information themselves via their wm.com account.

If the County Unincorporated selects Waste Management for the new Contract, commercial customers will benefit from continued access to our hassle-free billing and payment options. This is especially valuable as a growing portion of Waste Management customers are accustomed to the convenience of managing their accounts online at wm.com. Likewise, many customers prefer electronic invoices. With any other service provider, customers will be required to start over – creating new online profiles, electing invoice preferences, and if auto-pay is available, resubmitting their payment information. Often, this will result in missed or late payments, causing inconvenience for many customers.

24/7 access to wm.com. Our team will build on the County Unincorporated-specific Waste Management webpage to include meaningful service information, photos, and resources that reflect the changes in the new Contract. Using Waste Management's local website, customers will easily find information about the upcoming Contract transition as well as service information, disposal resources, rates, and recycling resources. Online account management functionality allows customers to:

Initiate service or request additional services.

Schedule an empty and return (roll off customers only).

View pickup schedule and collection ETA.

Schedule an extra pickup or bulky item collection.

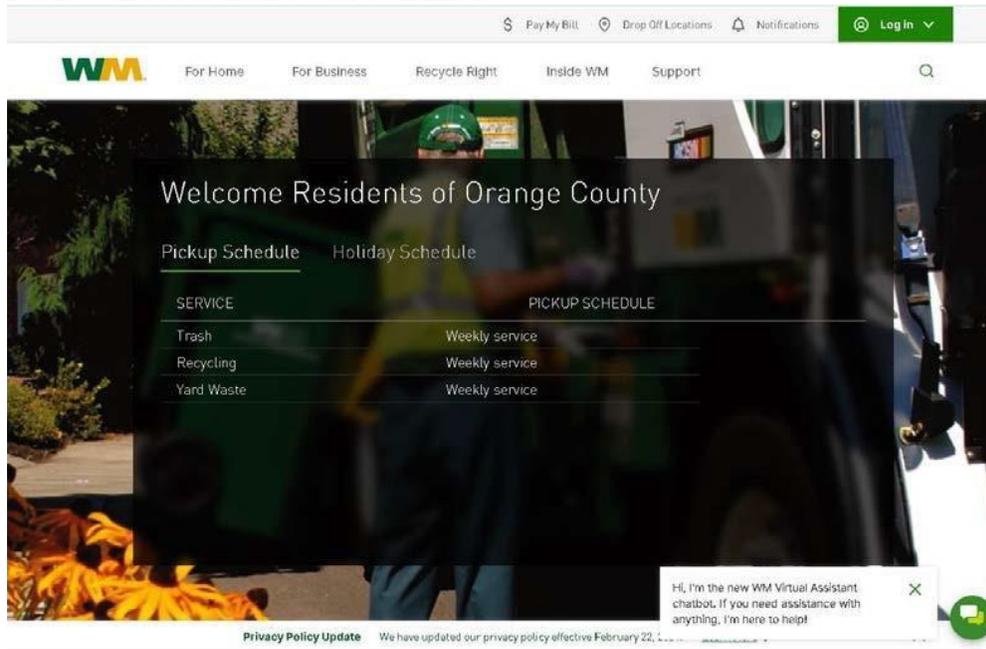
Request cart or container repair.

Edit account contact information.

Communicate with our Customer Service via email or digital chat.

For County Unincorporated Single-family Dwelling, Multifamily Dwelling, and Commercial customers specifically, the website will also contain information about pertinent State mandates such as AB 939, AB 341, AB 1826, and SB 1383 and what constituents need to know to comply. This website will be used to upload various information about the County's organics recycling program such as service guides, flyers, videos, community workshops dates, and more as described in the following sections. In addition, the website will have a Frequently Asked Questions (FAQs) page and a form that will allow customers to submit recycling questions directly to Waste Management's County Unincorporated-dedicated Recycling Coordinator. We will also work with County staff to place a link to the County website and provide information for the County's website, if desired.

Public Education and Outreach Efforts



With Waste Management, the County will not need to dedicate a large portion of public outreach efforts toward collection, customer service, or billing changes that typically go along with a new service provider. Instead, as part of the new Contract, we will focus on informing customers of all newly available services,

changes in California law, and maximizing their knowledge and participation in recycling, reuse, and waste prevention.

Details of Waste Management’s extensive education and implementation efforts are highlighted below for each customer type.

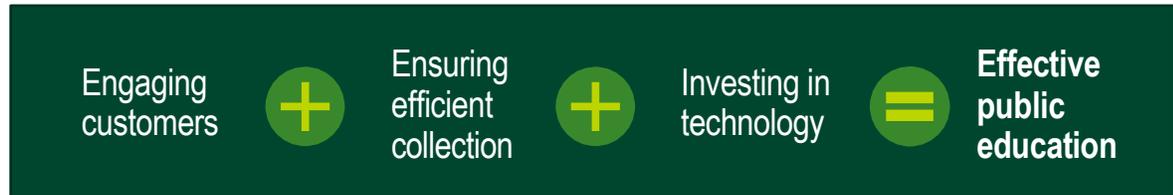
Single-Family Dwelling (SFD) Public Education and Outreach Activities

Welcome Letter

By July 1, 2022, we will mail each residential customer a notification to inform them of the new Contract with Waste Management. This letter will contain an overview of key implementation information and changes, and the dates of the town halls, where residents can join Waste Management to learn more information and ask questions. This letter will also contain information about Waste Management programs and offerings, including the bulky item collection program, how to successfully participate in the recycling program (i.e., Contaminants, Dos and Don’ts how to apply for the senior discount, how to contact Customer Service and access the website, and more..

“Please tell WM that my driver Felix, is so wonderful and nice, he does an amazing job, Felix needs to be recognized.”

E. Chumchal, Wellington Ave.



Below is a sample Welcome Letter that would be further customized for the County's approval.

WM WASTE MANAGEMENT

UNINCORPORATED ORANGE COUNTY Residential Service Information

Welcome to Waste Management!
Waste Management is proud to be your waste and recycling service provider. This guide will assist you in using your residential service.

To get started, Waste Management provides you with two different wheeled carts: one for recyclables and one for trash. Your trash cart is serviced once per week on your regularly scheduled service day and your recycling cart is serviced once every other week on your service day. Information about what materials should go into each cart are included on the follow page of this guide.

For more information about your residential service, visit Home.wm.com/santa-ana or contact the City of Santa Ana at the number listed in this guide. By working together, we can keep Santa Ana a clean, green community!

ADDITIONAL SERVICES & ACCOUNT UPDATES

- For information on additional services, such as bulky item collection and additional trash or recycle carts, please visit wm.com and type in your address.
- To discontinue service or update the billing information on your account, please visit the City's website, Home.wm.com/santa-ana and complete a Utility Service Termination or Update/Change Form.

CART SERVICE REMINDERS

- Place all materials in the appropriate container and close the lid.
- Material left outside the cart(s) will not be collected.
- Roll carts into street or alleyway and place them against the curb, handles facing your home. Place carts at least two feet apart from other carts and objects.
- Place your carts at the curb by 6:00 a.m. on your service day. Emptied carts should be removed from curbside by 6:00 p.m. on the same day.

HOLIDAY SCHEDULE
Collection service does not occur on the following holidays:

- > New Year's Day > Memorial Day > Independence Day
- > Labor Day > Thanksgiving Day > Christmas Day

When a holiday falls on a weekday, your collection will be delayed one day. If a holiday falls on a Saturday or Sunday, there will be no delays in your service.

CUSTOMER SERVICE
(646) 822-2200

Follow these three simple rules while recycling:

1. Recycle all empty bottles, cans and paper.
2. Keep foods and liquids out of the recycling bin.
3. Keep recyclables loose and not bagged in plastic bags. Take plastic bags back to your local grocer.

FIND DETAILED RECYCLING INFO ON THE BACK OF THIS PAGE.

THINK GREEN.

RECYCLING COLLECTION
Your cart with a Blue Lid is for Recycling Collection. Waste Management and the City are working together to help residents to Recycle Right. Just follow the guidelines below and then place your recycle cart at the curb on your regularly scheduled service day every other week. Because we value your participation, Recycling Collection is being provided at no additional cost to you.

RECYCLE OFTEN. RECYCLE RIGHT.

RECYCLE OFTEN:

- Metal Cans:** Steel and aluminum cans, vegetable, fruit & tuna cans.
- Plastic Bottles & Containers:**
- Paper:** News, newspapers, non-commercial office paper, newspapers, magazines.
- Paper, Cardboard, Dairy & Juice Containers:**
- Flattened Cardboard & Paperboard:**
- Glass Bottles & Jars:**

RECYCLE RIGHT: Things you can do to ensure quality material is recycled:

- Items that should **not** be included in your recycling cart:
 - Food waste
 - Polystyrene cups or containers
 - Plastic bags and film
 - Needles and syringes

TRASH COLLECTION
Your cart with a Black Lid is for Trash Collection. Trash guidelines:

- Trash is household waste that cannot be recycled.
- Cart weight is not to exceed 200 lbs.
- Material should be loosely packed to empty easy (NO paint, batteries, CFL bulbs, oil, electronics or needles)

ADDITIONAL SERVICES
Waste Management provides additional, value-added services in the City of Santa Ana upon request. These services include:

- Septic Pumping
- Portable Toilets
- Propane Service

To find out more about these additional services, contact (714) 558-7761.

ADDITIONAL INFORMATION
Waste Management's website wm.com contains additional information about the following:

- Bulky Item Collection
- Extra Carts
- Billing and Payment Options

RESIDENTIAL HAZARDOUS WASTE
Residential Hazardous Waste, such as household cleaners, paint, fluorescent lightbulbs, motor oil and electronic waste is harmful to the environment and should not be disposed of in your curbside carts.

THINK GREEN.

Sample Welcome Letter

A Comprehensive Service Guide

Immediately following the award of the Contract, we will begin to develop a comprehensive residential guide to services which will be ready for County review by 3rd Quarter of 2021. By January 1, 2022, we will direct mail each SFD customer a comprehensive service guide that highlights what material goes into each container, recycling guides, HHW disposal information, the bulky item collection program, holiday schedule, Customer Service information, and information on how to access local resources to learn about upcoming events through the Waste Management local website. The service guide will also include information on State-mandated programs and what each customer needs to do to comply. New customers throughout the term of the Contract will also receive a welcome packet upon signing up for services with Waste Management.

What Goes Where

Recycling Cart



- Paper**
 - Newspaper
 - Paper
 - Cardboard
 - Paper Envelopes
 - Junk Mail
 - Magazines/Catalogs
 - Phone Books
 - Paper Bags
 - Non-Metallic Wrapping Paper
 - Cardboard
- Metal and Glass**
 - Aluminum Cans
 - Empty Aerosol Cans
 - Tin Cans (Canned Vegetables and Soup)
 - Steel Cans
 - Glass Bottles (Wine, Liquor, Juice)
 - Glass Food Jars (Condiments)
- Plastics**
 - Plastic Bottles (Water, Juice, Soda)
 - Plastic Jugs (Milk and Juice)
 - Plastic Jars (Condiments)

Make sure recyclables are loose, clean, and dry before placing in the recycling bin!



Do Not Include Plastic Bags or Film

Do not place bagged recyclables or plastic film in your recycling bin as these materials will be deemed as contamination. Plastic bags and film tangle equipment at recycling facilities and contaminate recycling loads. This poses a safety risk to workers and reduces the chances of the item being recycled. If you collect your recyclables in a bag, empty them directly into your cart and reuse the bag. Learn where you can recycle plastic bags and film at plasticfilmrecycling.org.

Avoid Recycling Contamination

Have you ever heard the phrase, "one bad apple spoils the bunch?" The same is true for recycling, where any item that is not recyclable can potentially spoil an entire batch of otherwise good material. Please do not dispose of any trash, furniture, bulky items, food waste, green waste, plastic liners/film, Styrofoam, clothing or textiles, propane tanks, electronic items, or any non-recyclable material into the recycling container as this will be considered contamination. If your container is contaminated, you may be assessed a contamination charge.

If your container is excessively contaminated, your container may not be able to be serviced by the recycling truck and it may have to be serviced as trash which will result in an additional charge.

Visit wm.com/recycle-right for 24/7 access to recycling education and resources, or contact your local Mission Viejo Recycling Coordinator at MVRecycling@wm.com for further education materials and recycling support.

Waste Management thanks you for your dedication to recycling right and complying with state recycling mandates.

Green Waste Cart



- Acceptable items**
 - Grass
 - Leaves/ Tree Branches
 - Sticks/Brush
 - Plants/Weeds
 - Garden Trimmings
 - Sawdust
- No animal waste, soil, rocks, paper, or plastic.**

Do not place needles, chemicals, paint, fluorescent light bulbs, propane tanks, full or partially full aerosol containers, batteries and electronics, and/or construction debris inside any of your containers. Please refer to the Household Hazardous Waste and Other Disposal Options on the next page for more information on how to properly dispose of these items.

THINK GREEN!



Trash Cart



The trash cart is for household waste that cannot be recycled.

Carts must not be overfilled, and lids should be able to close. Material should be loosely packed so the carts will empty easily.

- Polystyrene Foam (Styrofoam Containers and Packaging)
- Non-Recyclable Plastics
- Plastic Liners/Film
- Food/Grease-Soiled Pizza Boxes
- Paper Towels/Napkins/Tissues
- Paper Plates
- Plastic Utensils
- Soiled Paper Cups
- Wax-Coated Paper Cups
- Pet Waste/Diapers
- Garden Hoses
- Non-Donatable Clothing, Bedding, and Textiles



Community Meetings

Waste Management will hold a total of two community meetings in July 2021 and bi-weekly meetings starting December 2021 through January 2022. These meetings will be held virtually, and COVID safe, to introduce customers to new service offerings and review key transition information. These workshops will be led by a designated Waste Management Recycling Coordinator and they will cover state mandates, what should and should not be placed into each container and any other program changes in the new Contract including upcoming SB 1383. Each meeting will have an open question and answer session at the end. Informational meeting dates will be included in all pre-implementation press releases, residential mailings, and will be available on the local website.

Cart Labeling and Carts

Upon award of the Contract, Waste Management will immediately begin designing the label/stamp for SFD carts which will be compliant with CalRecycle’s guidelines for signage. This will be included with all SB 1383 compliant container replacements beginning January 1, 2022. SB 1383 compliant carts will be provided upon customer request for replacement throughout the life of the contract, with all carts being SB 1383 compliant by 2036.

Educational Materials

Waste Management will create an SB 1383-specific educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management’s technologies and processes for recycling organic waste, and what can and cannot be placed into the organics recycling cart. This flyer will be available to be reviewed by the County for modification and final approval. The intent is to have the flyers ready for print by January 2022 so that they may begin to be distributed at community events and workshops and inserted with the direct mailer that is initially sent out in time for the new organics program to commence on

January 1, 2022. It will also remain on the Waste Management local website for reference.

How-to-Video

Waste Management will coordinate with a videographer to produce service video tutorials that residents can easily access to learn how to use their Waste Management source-separated containers, including how to comply with SB 1383.

The video will illustrate how to source separate recyclables and organics waste while explaining what should and should not be placed in each container. It will also highlight some best management practices such as how to keep your organics container clean and how to reduce odor. This video is estimated to begin circulating in the 1st Quarter of 2022. Waste Management will link the videos



on County's local Waste Management website.

Media Outreach

Waste Management will collaborate with County staff to conduct outreach to local media sources. Press releases will be distributed throughout the Contract implementation to promote key implementation messages and dates, new service offerings, and community educational events.

Community Events

Waste Management prides itself on providing a comprehensive community service that focuses on investment within the community through event and organizational sponsorship, recycling education and compliance, and first-class customer service. As part of the education and outreach campaign, Waste Management will have the designated Recycling Coordinator at community events throughout the year. Each event will allow the Recycling Coordinator to distribute educational flyers and speak with members of the community to directly address any questions or concerns. Waste Management typically organizes booths through the event coordinator; however, Waste Management can also come prepared with our own equipment if needed.

School Outreach

As previously stated, Waste Management's approach is intensely local. Our team is involved by participating in community-sponsored events, hosting tours of our facilities for local organizations and residents and working closely with schools to integrate recycling education into their school curriculum. For all schools in the County Unincorporated that request educational presentations or assemblies, Waste

Management's designated Recycling Coordinator will work closely with school staff to coordinate a preferred time and date for the presentation. Regardless if Waste Management is the school's designated hauler, students will benefit from a Waste Management taught presentation as it is assumed that most students live within the County Unincorporated and they can use the recommended practices at home. Waste Management has performed various school presentations throughout Orange County, which have included "Touch-a-Truck" presentation, assemblies, morning announcements, school events, and compost class. Waste Management is also happy to work with school staff, administration, or environmental student organization groups to help kick-off school organics and recycling programs.





Multi-Family Dwelling (MFD) Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of MFD properties, including communications curtailed directly to the tenants and the property managers. Specialized public education resources and outreach efforts for MFD properties will include:

Welcome Letter, Service Guide, and Site Visits

By July 1st, we will mail each MFD property manager or property owner a notification to inform them of the upcoming Contract transition and provide them an overview of key implementation information, changes, and dates. This letter will also contain information about SB 1383, what the new organics recycling program is, when the organics program will commence, and how to successfully participate and sign up for the program. The letter will highlight the contact information of the designated Recycling Coordinator who will conduct a site visit and provide free technical assistance in reviewing collection services, State-mandated programs, and program enhancements to ensure compliance and readiness for the new Contract. The Recycling Coordinator will also help implement a recycling and food waste program at the property and assist with tenant education. This includes the distribution of MFD specific educational materials and service guides to tenants, as well as the in-home food waste pails. The Recycling Coordinator will also be available throughout the term of the Agreement and will work with property management and staff to ensure the MFD is compliant with state mandates.

"Great work trash driver loves his work and is very nice.."

Kelly J., Unincorporated
Rancho Santa Margarita

Included in our initial communications and educational outreach to all MFD property owners and managers will be information on our Multi-Family Bulky Item Collection program.

Educational Materials

Upon award of the Contract, Waste Management will design an educational flyer that describes and illustrates what SB 1383 is what can and cannot be placed into organics recycling carts. This tenant-focused flyer will be provided to all MFD property owners and managers for their tenants and will be distributed at hosted community events and workshops. This easy to use and access flyer is in addition to the MFD Service Guide. All materials distributed will also be posted to the Waste Management local website for easy and quick reference.

Media Outreach and Community Meetings

County of Orange Unincorporated Multi-Family Food Waste Recycling Program

Dear County Unincorporated Resident:
Waste Management invites you to enroll now! Our food waste recycling program makes it easy for you to turn your food waste into renewable energy. Learn more about how to participate in the program by following the steps below.

If you compost, you can participate in this too because we can accommodate many items that are not compostable! Your food waste will be used for the generation of clean, renewable green energy.

SO, HOW DOES THE PROGRAM WORK? IT'S EASY!

1. Simply line your kitchen food waste pail with a small plastic liner. (The facility can accept any plastic bag. Reuse a bread, tortilla, or packaging bag. Paper bags are compostable and cannot be used to collect food waste).
2. Scrape your food waste in the kitchen food waste pail.
3. When the pail is full, securely tie the food waste liner and place it directly inside your green waste cart. **NOTE: Unbagged food waste cannot be collected.**

TIPS FOR MAKING THE MOST OUT OF YOUR FOOD WASTE RECYCLING PROGRAM

- If you are unsure if a certain food scrap can be recycled, it is better to throw it out with the regular garbage than risk contamination.
- Periodically wash kitchen pail out to reduce odors. Odor reducers such as Orange Odor Eliminator or baking soda can help reduce food odor and adds a fresh scent to your home.
- While Waste Management drivers and employees can assist with "quality control" of your outside containers, it is important for you to segregate your materials properly. (See back page sheet for segregation instructions)

Waste Management Customer Service
 CALL: 714-558-7761
 EMAIL: cslosangeles@wm.com
 VISIT: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

Turn Your Food Waste into Renewable Energy!

Our Multi-Family Food Waste Program is as Easy As 1-2-3!

1. Put food scraps in a bag
2. Tie the bag
3. Put the bag of food inside this container

You Can Use Any Plastic Bag
 Reuse a bread, tortilla, or packaging bag, biodegradable or decomposable.

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

How Does The Process Work?
 After your organic waste is picked up from the curb, our drivers take it to our Transfer Station, where the food waste bags are separated from the yard waste. Then, the commercial and residential food waste is combined and brought to the CORE® facility, where we create a Bio-engineered Slurry. That Slurry is then used in the Carson Waste Water Treatment Plant's anaerobic digesters to generate renewable energy!

CORE® Process:
 1. Source-Separated Organics
 2. CORE®
 3. Engineered Slurry Transport
 4. Wastewater Treatment Plant Anaerobic Digester
 5. Renewable Energy

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

Like our SFD customers, MFD tenants and staff will also be invited to the community meetings and have access to the media outreach and videos previously described.

Commercial Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of commercial properties and ensure complete compliance with AB 341, AB 1826 and SB 1383. Customized public education resources and outreach efforts for commercial properties will include:

Welcome Letter

By July 1st, 2021, we will mail each commercial customer a notification to inform them of the upcoming Contract transition. This letter will contain an overview of key implementation information and the dates of the town halls, where they can join Waste Management to learn more information and ask questions. At this time, we will also direct customers to our website and provide the contact details of our dedicated Recycling Coordinator for free technical assistance.

A Comprehensive Service Guide

Immediately following the award of the contract, we will begin to develop a new comprehensive commercial service guide which will be ready for County review by 4th Quarter of 2021. By the 1st Quarter of 2022, we will mail each commercial customer a service guide that contains an overview of: collection and bulk services; acceptable materials for each waste stream; recycling guides; holiday schedules; Customer Service information. and information on how to access local resources and contact the County of Orange-dedicated Recycling Coordinator. The welcome packet will also include information on State- mandated programs such as AB 341, AB 1826, and SB 1383 and what businesses need to do to comply.

Free Recycling Assistance

The City of Mission Viejo and Waste Management are proud to offer businesses free technical assistance and educational materials for recycling and organic recycling services to help ensure your business is compliant with State mandates.

Contact your local Waste Management Mission Viejo Recycling Coordinator at MVR Recycling@wm.com for free assistance with setting up a successful recycling program for your business. Your Recycling Coordinator can provide complimentary education and training materials for staff and assist with right-sizing your services to help you maximize diversion results and cost savings on your waste collection bill.



Recycling and Diversion Programs

Participate in the following recycling and diversion programs to reduce your trash.

Universal and Electronic Waste

Universal and electronic waste products are products that are flammable, corrosive, reactive, or toxic. These products can be dangerous to the public and the environment.

This waste must be disposed of properly, and it is illegal to dispose of hazardous, universal, or electronic waste in your Waste Management containers.

Please visit oclandfills.com/hazardous and click the link for "Business Hazardous Waste Referrals" for safe disposal options near you. For a universal waste collection quote from Waste Management, please contact our Customer Service and they will direct your request to a universal waste specialist.



Assembly Bill 341

California's Mandatory Commercial Recycling Law

On July 1, 2012, Assembly Bill 341 (AB 341) became effective in the State of California. This law requires multi-family complexes with five units or more and businesses that generate at least four cubic yards of solid waste per week to have a recycling program in place. Waste Management is pleased to provide commercial recycling services that can help your business comply with the State Assembly Bill 341.

To sign up for recycling services, contact Waste Management at (949) 642-1191 or Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. The local Recycling Coordinator can provide free technical assistance with setting up a recycling program.

Please do not hesitate to contact your local Waste Management Recycling Coordinator if any questions regarding this mandate, or for more information, visit calrecycle.ca.gov/recycle/commercial. Waste Management will provide all the materials and resources needed to start a successful program!



Assembly Bill 1826

California's Mandatory Commercial Organics Recycling Law

On September 28, 2014, Assembly Bill 1826 (AB 1826) became effective in the State of California. This law requires businesses and multi-family properties to recycle their organic materials, depending on the amount of waste they generate per week.

As part of California's recycling and greenhouse gas (GHG) emissions target, businesses are required to divert landscaping waste, food scraps and foodsoiled paper, while multi-family buildings with five (5) units or more are required to collect and recycle landscape waste only. These organic materials account for nearly one-third of the approximately 30 million tons of waste destined for California's landfills each year.

Diverting organics from landfills reduces landfill GHG emissions and produces sustainable products that contribute to soil health, plant nutrition, water conservation and carbon sequestration. Waste Management is pleased to provide commercial organics recycling services that can help your business comply with State Assembly Bill 1826.

Visit calrecycle.ca.gov/Recycle/Commercial/Organics or contact Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com for more information about this mandate. The local Recycling Coordinator can provide free assistance with setting up an organics program and provide free training and education needed for a successful program!

Holiday Tree Recycling Drop-Off

Annually, Waste Management will collect and recycle holiday trees for the first three weeks following December 25th.

Businesses are welcome to bring their office tree to a Waste Management holiday tree recycling dumpster which will be set up to three (3) designated drop-off locations throughout the City each year.

Please remove all decorations including tinsel, lights, ornaments, and tree stands. Please note, frosted trees will be collected but cannot be recycled.

Plastic/faux trees cannot be accepted.

Visit cityofmissionviejo.org/green or business.wm.com/mission-viejo for drop-off location details.



Bottle and Can Recycle Centers

Recycling bottles and cans makes cents!

You can redeem empty California Redemption Value (CRV) beverage containers at the buy-back centers listed below in Mission Viejo.

Visit www.2.calrecycle.ca.gov/BevContainer/RecyclingCenters/ for additional nearby locations.

Next Generation Recycling
27771 Center Dr., Mission Viejo
(714) 931-5004

Pance Recycling
La Paz Center
25104 Margarita Parkway, Mission Viejo
(714) 794-7542



THINK GREEN!



Site Visits and Technical Assistance

Every commercial customer is eligible for free technical assistance, educational tools, and right-sizing via our Recycling Coordinator. This service is intended to help maximize the effectiveness of customer's recycling programs and also ensure that their services are set up for success. During a scheduled site visit, Recycling Coordinator confirm customer contact information and that services match the data we have on file. They will also provide right-sizing recommendations and offer education and training materials for staff and custodians to ensure compliance with state mandates. This information will be provided in the initial Welcome Letter and Service Guide, as well as be available on the local website.

Key Implementation Tasks and Timeline

For further information regarding planned implementation specifics, please see the following graphic which is intended to provide a visual timeline.

County of Orange

2101-001 - Exclusive Collection and Handling of Discarded Materials - Orange Unincorporated

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
1	Franchise Award	City	City awards contract - April 27, 2021	Q2 2021	1	✓											
2	Internal Monthly WM Meetings	WM	WM departments begin planning all aspects of new Contract roll out	Q2 2021	Ongoing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Education and Outreach Planning	WM/City	Contract Liaison and Recycling Coordinator to begin all design work in preparation for final submission to City	Q2 2021	8	✓	✓	✓	✓	✓	✓	✓	✓				
5	Education and Outreach	WM	Welcome Letters	Q3 2021	1			✓									
6	Commencement	WM/City	New Contract Begins	Q3 2021	120			✓									
7	Media Production	WM/City	Media Production to commence	Q3 2021	6			✓	✓	✓	✓	✓	✓				

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
8	Education and Outreach	WM	Community Town Halls	Q3 & Q4 2021/Q1 2022	2			✓					✓	✓			
9	Education and Outreach	WM	Multi-Family Outreach for State Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Commercial Outreach	WM	Commercial Outreach for Sate Mandated Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Education and Outreach	WM	Media advertisements and informational videos	Q4 2021 and Q1 2022	4							✓	✓	✓	✓		
12	Education and Outreach	WM	Service Guides	Q1 2022	1								✓				
13	Cart Delivery	WM	Provide New Carts Including SB 1383 Labels	Ongoing	Q1 2022									✓	✓	✓	✓

APPENDIX 5

OUTREACH AND EDUCATION PLAN

OUTREACH AND EDUCATION PLAN

A Partner to Your Community

Proposer shall provide an Outreach and Education Plan which satisfies all requirements of AB 939, AB 341, AB 1826, and SB 1383. This plan shall detail all planned tasks, procedures and schedule to ensure the County's compliance with AB 341, AB 1826, and SB 1383.

Waste Management understands that in today's society, people rely on various forms of communication to get the most up to date information. This is why we have many different methods of connecting with our customers which all share a common goal - to provide clear, concise, and relevant service and educational information. Waste Management wholly intends to achieve full compliance with AB 341, AB 1826, and SB 1383 including all requirements as per the Draft Franchise Agreement throughout the life of the Contract. To achieve this mission, Waste Management understands that a comprehensive education and outreach campaign is required early on to attain the desired recycling behavior and knowledge base among County of Orange Unincorporated residents and businesses.

The following pages will discuss in detail our AB 341, AB 1826, and SB 1383 outreach plan which is designed to ensure continued compliance for the County Unincorporated. This plan will build on our implementation plan as mentioned in the previous section and also go into further description of the ongoing education outreach efforts and processes that will occur throughout the course of the Agreement.

Program	Customer Sector	Details
Dedicated Recycling Coordinator	Residential, Multi-family, Commercial	Upon award of the contract, Waste Management will work to designate a dedicated Recycling Coordinator to assist and carry out education and outreach for residential, multifamily, and commercial customers in the Unincorporated County areas. The Recycling Coordinator will also assist with County Unincorporated facility compliance, School District outreach and assemblies, as well as public events and townhall seminars. The dedicated Recycle Coordinator will be ready by Q1 2022 to assist with state mandated programs. Prior to beginning outreach in the County, the Recycling Coordinator will receive a comprehensive, multi-day educational training program that covers the state mandates, how to perform site visits, how to track compliance and outreach efforts, and explicit services and programs specific to UOC.
Recycling Reporting Software	Residential, Multi-family, Commercial	To further improve the submittal of accurate and organized reports, Waste Management proposes the implementation of a recycling reporting software for the managing, tracking and scheduling of all compliance and outreach communications and activities. This includes contamination monitoring and the tracking of internal programs, including edible food waste recovery. More details of this program are highlighted in the following pages.
Comprehensive Service Guides	Residential, Multi-family, Commercial	Waste Management's Comprehensive Service Guide will be available in print and electronic form for each customer type and will include Waste Management's collection procedure summary and services. This includes but is not limited to how-to's for container collection, information on the bulk program, HHW disposal information, holiday collection schedules, recycling/composting guidelines, waste prevention tips, and Customer Service contact information. In addition, these packets will include information on pertinent laws to the customer type such as AB 341, AB 1826, and SB 1383. As part of the implementation plan, one Welcome Packet will be mailed to each customer in January 2022. In addition, these packets will also be annually mailed to all customer types each year. They will also always remain online throughout the life of the Contract for reference.

Program	Customer Sector	Details
Community Workshops	Residential, Multi-family, Commercial	The Waste Management Recycling Coordinator will host community workshops to discuss recycling programs and services and also offer an opportunity for customers to have a live Q&A. These workshops will cover state mandates, recycling programs, and key Waste Management services and information. The workshops will be bi-weekly in July 2021, and again in December 2021 - January 2022.
Educational Flyers	Residential, Multi-family, Commercial	Waste Management currently has multiple recycling flyers, food waste recycling flyers, and informational flyers that touch on current state mandates. To further add to our library of resources, Waste Management will create new and updated educational flyers, which will include SB 1383. These flyers will provide meaningful information, graphics, and details on how to participate and comply with state mandates and recycling programs. It will include information about edible food recovery and donation. This information will be distributed annually to customers, as well as be available online for each customer type throughout the life of the Contract.
Transcreated materials	Residential, Multi-family, Commercial	Waste Management is a leader in providing culturally appropriate recycling education. We transcreate educational materials by delving into a culture to find relevant products and language. Collection guidelines and educational materials can be translated into various languages upon request.
Edible Food Recovery and Donation	Commercial	Waste Management has a strong partnership with a local food recovery and recycling specialist nonprofit called Waste Not OC. As part of the upcoming SB 1383 requirements, jurisdictions are required to establish and educate constituents about food recovery in order to help achieve the state-wide goal of 20 percent edible food recovery. To assist the County in this feat, Waste Management will create customized educational materials that highlight how and where the County of Orange Unincorporated community can participate in edible food recovery and donation. Waste Management will also work with Waste Not OC and other local nonprofits and businesses to identify opportunities for edible food recovery.
How-to Videos	Residential, Multi-family, Commercial	Waste Management will produce how-to videos in effort to educate customers on how to recycle right and participate in the organics recycling program. Waste Management will coordinate with a videographer upon award of the contract so that the video is ready to circulate by Q1 2022.
AB 341 and AB 1826 Compliance	Multi-family, Commercial	As part of an annual program, the Waste Management Recycling Coordinator will visit each non-compliant business to provide free technical assistance to setup and maintain a successful diversion program. The Recycling Coordinator will work with each non-compliant commercial and multifamily properties to provide education and training for recycling and food waste recycling programs, and also document internal programs, including edible food donation. More details of this program will be discussed in the following pages.
SB 1383 Compliance	Residential	Waste Management's residential SB 1383 education and outreach plan includes welcome letters, service guides, educational flyers and videos, and kitchen food waste pails which will be distributed to SFD customers upon implementation. Educational materials will be available throughout the life of the Contract, in addition to the Recycling Coordinator who will also host community workshops for those who wish to learn more and ask questions about the program. In addition to all that has been mentioned thus far, Waste Management has a detailed contamination monitoring plan via our waste characterization audits coupled with our SMART Truck sm technology. Residential routes that are identified to have unacceptable levels of contamination will receive additional education and outreach. More details of this program will be discussed in the following pages.

Program	Customer Sector	Details
SB 1383 Compliance	Multi-family, Commercial	Waste Management's multifamily and commercial SB 1383 education and outreach plan is an extension of what was previously described above and throughout this proposal thus far. For multi-family/commercial routes that are identified to have unacceptable levels of contamination, these customers will receive additional educational materials and site visits to ensure maximum efforts are exercised in achieving compliance. Waste Management will work directly with business owners and property managers to confirm they are enrolled in the appropriate levels of recycling and food waste recycling service, and that their employees, staff and tenants are also well trained and educated on the program. More details of this program will be discussed in the following pages.
SB 1383 Route Audits	Residential, Multi-family, Commercial	Waste Management will perform route audits for residential and commercial routes, as currently allowed by CalRecycle to monitor contamination. Further details of this process will be described in the following pages.
Website and Social Media	Residential, Multi-family, Commercial	Waste Management uses digital and social media education to inform customers about our services, recycling and food waste recycling programs, and community events. Our local UOC website, home.wm.com/orange-county , is available 24/7 and has the most up-to-date information on services, events and programs. The website will contain a plethora of information in regard to AB 341, AB 1826, and SB 1383, as well as our program services and tips for recycling right. Waste Management will work with UOC staff and our Southern California Communications Team to manage our social media posts and website updates.
Event Education	Residential, Multi-family, Commercial	Waste Management's dedicated Recycling Coordinator will host a recycling and food waste recycling informational booth at community events each year. The Recycling Coordinator will provide educational materials to those who attend and also work with event organizers to provide technical assistance for a zero-waste event.
School Outreach	Commercial: Schools	Waste Management works with schools and environmental clubs to educate students and improve or implement recycling and food waste recycling programs. Activities include lunchtime waste audits, staff and green team trainings and touch-a-truck presentations. This is an ongoing outreach effort that Waste Management offers continuously to schools and/or educational organizations that are interested.

Commercial and Multi-Family Compliance Outreach

The Waste Management Recycling Coordinator will continue to collaborate with the County on education, right-sizing, and the implementation of recycling and organics programs. The Recycling Coordinator will be able to conduct site visits and perform waste assessments to determine customers' collection frequency needs. In addition, the Recycling Coordinator will be able to consult with businesses and coordinate the delivery of the appropriate number and size of containers.

Following is the standardized approach that will be taken for preparing a recycling and food waste recycling diversion plan for each business:

Generator Identification

Each year, the Waste Management's Recycling Coordinator will assist in identifying the County's AB 341 and AB 1826 generators. The Recycling Coordinator will cross-reference previous self-reporting forms and site visit notes to identify customers with internal programs.

Compliance Notification

Once generators are identified, the Recycling Coordinator will work to identify multi-family and commercial customer's AB 341 and AB 1826 compliance status. Upon completion of this task, the Recycling Coordinator will assist in the notification and tracking of customer responses.

Annually, all commercial customers will receive a bill insert that provides information that explains how to comply with State/local mandates such as AB 341, AB 1826, and SB 1383. This flyer will also include information on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers. The County Unincorporated will have the full discretion to alter the flyer as needed and place the County Seal on the letterhead.

Customer Responses

Annually, each non-compliant multi-family and commercial customer under the AB 341, AB 1826 and SB 1383 generation threshold will be notified and contacted by the Recycling Coordinator who will notify them of the associated state recycling and diversion mandates. For noncompliant customers who respond, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit and food waste recycling training. For customers claiming they have an internal program, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further training or education is needed.

Site Visits

On the day of the site visit, the Recycling Coordinator will perform an audit of the customer's waste stream to estimate solid waste, recyclable material, and organics materials generated by the customer. The Recycling Coordinator will also identify locations throughout the property where recyclable and organic materials are generated to further assess the volume produced onsite. For noncompliant customers, the Recycling Coordinator can use the waste characterization summary to recommend service levels and frequencies and provide the associated costs and alternative options if needed. The Recycling Coordinator will be able to refer to the customer's information and rate sheets and propose a right-sized recycling and/or food waste recycling program. If the customer accepts the proposed services, the Recycling Coordinator will organize with Waste Management's Operations team to adjust the account and organize delivery of the recycling and/or organics container.

If a customer has an internal or back-hauling program, the Recycling Coordinator will document and verify that the program is comprehensive and achieves full compliance. Additionally, the Recycling Coordinator can input outreach notes and customer interactions in correspondence with each account and during the site visit.

Training

The Recycling Coordinator will perform recycling and food waste recycling trainings for all non-compliant commercial and multi-family customers to ensure a sustainable and successful program. This training typically does not take more than 20 minutes and it allows for property managers and staff to receive hands-on information about State and/or local mandates, learn about Waste Management's recycling and/or organics program, understand best practices for source separating materials, and ask questions directly to the Recycling Coordinator and/or the UOC's third-party consultant.

Edible Food Recovery

For Tier 1 and Tier 2 customers, or for those who could benefit from a food recovery program, the Recycling Coordinator will educate and assist customers with getting in contact with food recovery organizations within the region. The Recycling Coordinator will maintain a list of local contacts for food donation programs in hopes of supporting the statewide goal of achieving a 20% increase in edible food recovery by 2025.

Additional Resources

All customers will have access to the Waste Management local website, which will showcase information specifically tailored to commercial and multi-family customers. It will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated Recycling Coordinator. The website will also have a link to our informative how-to videos which can be used in training sessions and referred to throughout the life of the Contract.

Residential Compliance Outreach

In addition to the education and outreach efforts as described in the previous section and in the chart from the previous pages, Waste Management will continue SB 1383 residential outreach annually via a direct mailer and residential service guide. This mailer will provide educational information about SB 1383 and meaningful graphics which show how to participate in the program. In addition, the Waste Management Recycling Coordinator will continue to host community workshops to provide program information, highlight sustainable at-home best practices, and answer questions. Lastly, should an SB 1383 route audit result in unacceptable levels of contamination, Waste Management will assist in performing additional education and outreach to the specified routes. This additional, target outreach will include additional flyers and educational materials and door-to-door neighborhood canvassing.

Compliance Monitoring

AB 341 and AB 1826 Monitoring

Waste Management has fully adapted to the UOC's desired monitoring approach, which demands the least inconvenience and impact on residents and businesses. Waste Management will complete all specified education and outreach activities to increase participation in diversion programs and maintain compliance with CalRecycle. As previously stated, Waste Management will annually mail all commercial and multi-family customers an informational flyer that explains how to comply with state/local mandates pertinent to AB 341, AB 1826, and SB 1383. This flyer will also provide details on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local website page for additional resources and information.

Waste Management will also conduct annual site visits for each non-compliant commercial customer under the AB 341 and/or AB 1826 generation threshold. This site visit will serve to confirm continued 100 percent participation in recycling and organics programs, and/or to allow for the Recycling Coordinator to provide free technical assistance and education to commercial customers who have yet to obtain full compliance. If a customer should need additional training, or lack the requirements to obtain full compliance, Waste Management will conduct the same approach that is mentioned previously in the commercial and multi-family outreach section.

SB 1383 Monitoring

Waste Management will perform hauler route reviews for residential and multi-family/commercial routes, as currently allowed by CalRecycle to monitor contamination. We understand that CalRecycle may modify the requirements for measuring contamination and accordingly, the methods may need to be altered.

Unless otherwise directed by CalRecycle and/or the County, we will utilize the hauler route review methodology in accordance with Section 5.6.A (Option 2) and Appendix 6.E.3 (Option 1). Waste Management will conduct these reviews beginning in 2022.

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

Rainbow Disposal Co., Inc

Franchise Area 7A

COMMERCIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS	5
ARTICLE 1: DEFINITIONS; INTERPRETATION	7
SECTION 1.1. DEFINITIONS	7
SECTION 1.2. INTERPRETATION.....	22
ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE	24
SECTION 2.1. REPRESENTATIONS AND WARRANTIES	24
ARTICLE 3: GRANT OF FRANCHISE	25
SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS	25
SECTION 3.2. TERM OF FRANCHISE AGREEMENT	26
SECTION 3.3. FRANCHISE FEE	26
SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE	26
SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE.....	27
SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES	27
ARTICLE 4: COLLECTION SERVICES	29
SECTION 4.1. GENERAL SERVICES	29
SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS	32
SECTION 4.3. CONTAINERS	33
SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION	34
SECTION 4.5. COLLECTION LOCATIONS	36
SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.....	36
SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION	37
SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION.....	37
SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION	37
SECTION 4.10. OTHER WASTES	37
SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE	38
SECTION 4.12. SELF-HAUL OPT-OUT	38
SECTION 4.13. COUNTY DESIGNATION OF FACILITIES.....	38
ARTICLE 5: PROCESSING AND TRANSFER	39
SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS	39
SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES	39
SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES	39
SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS	39
SECTION 5.5. TITLE TO RECOVERED MATERIALS	40
SECTION 5.6. CONTAMINATION MONITORING PROCEDURES	40
SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.....	44
ARTICLE 6: SOLID WASTE DISPOSAL	46
SECTION 6.1. SOLID WASTE DISPOSAL.....	46
ARTICLE 7: COMPLIANCE	48
SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN.....	48
SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS.....	48
SECTION 7.3. DIVERSION FEES.....	48
SECTION 7.4. OUTREACH AND EDUCATION PLAN	49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 88

ACCEPTED MATERIALS88

APPENDIX 1-E89

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 89

APPENDIX 2-A 103

MAXIMUM RATES FOR REQUIRED SERVICES103

APPENDIX 2-B104

MAXIMUM RATES FOR OPTIONAL SERVICES 104

APPENDIX 3-A 105

EXAMPLE RATE ADJUSTMENT CALCULATION 105

APPENDIX 3-B106

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 106

APPENDIX 4 108

IMPLEMENTATION AND COMPLIANCE PLAN.....108

APPENDIX 5 109

OUTREACH AND EDUCATION PLAN.....109

APPENDIX 6 113

RECORD KEEPING AND REPORTING 113

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Rainbow Disposal Co., Inc (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 7A for the safe Collection, Transport, Recycling, and Disposal of

Discarded Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 7A; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are High Diversion Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Facilities listed in Appendix 1-E, which are Organic Waste Processing Facilities and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Facilities listed in Appendix 1-E, which are Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CVT Regional Materials Facility at 277 E. Gretta Lane, Anaheim, CA 92806, and Rainbow Disposal Co., Inc., at 17121 Nichols Lane, Huntington Beach, CA 92647, which are owned and operated by Republic, that are Transfer Facilities and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded

Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal, and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public

health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for

Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Rainbow Disposal Co., Inc and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition

in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance

and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to

and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials

which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet

the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner's employee, property manager, or property manager's employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

"Source Separated Blue Container Organic Waste" or "SSBCOW" means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

"Source Separated Green Container Organic Waste" or "SSGCOW" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

"Source-Separated Recyclable Materials" means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

"Special Circumstance" means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

"Special Service" means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. "Special Service" does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

"SRRE" means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

"Tax" means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

"Temporary Roll-Off Box" means a Container rented by a Customer by the week or month for a

temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil

disturbance, pandemic, or epidemic;

(2) A Change in Law (as defined herein);

(3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.

(4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

(a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;

(b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;

(c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;

(d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;

(e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;

(f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;

(g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;

(h) Vehicle or equipment failure; or

(i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not

applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 7A, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 7A, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 7A in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 7A, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

**Paul
Albarian**

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County
Counsel, ou,
email=Paul.Albarian@coco.ocgov.co
m, c=US

By: _____ Date: 2021.05.11 12:44:12 -07'00'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Required Service
- B) Maximum Rates for Optional Service

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

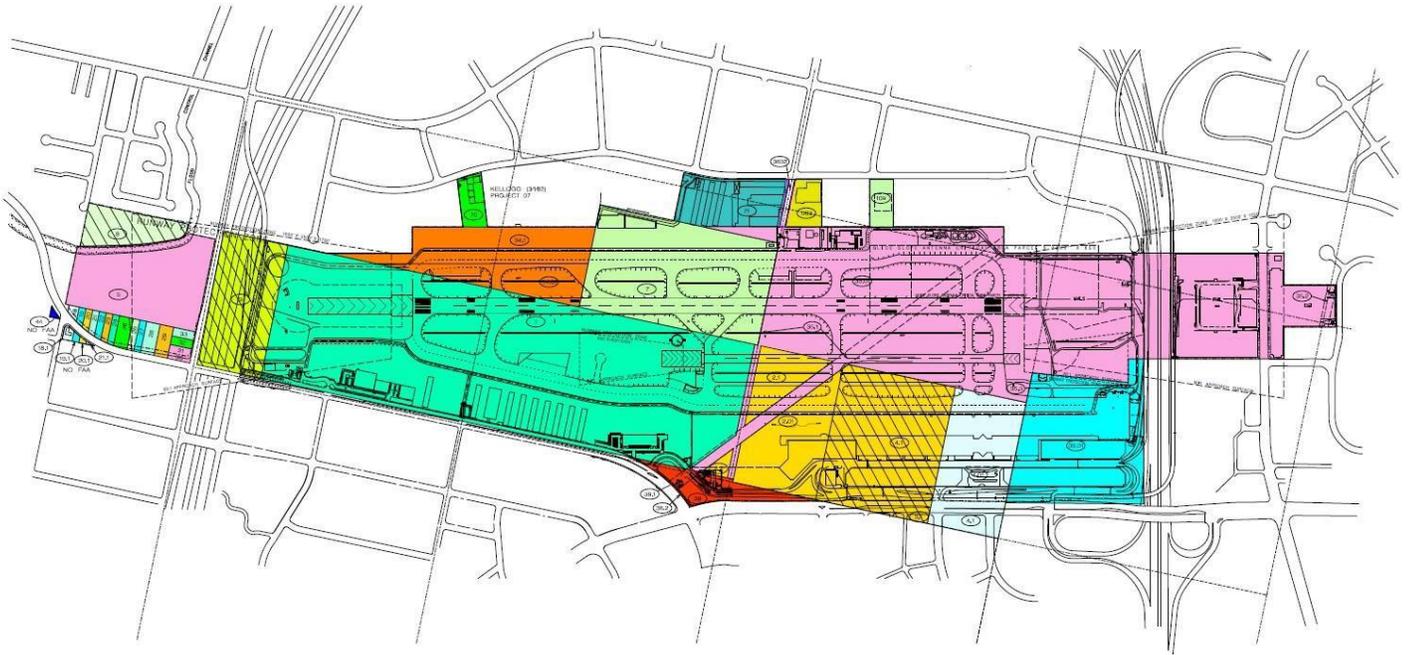
MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



Franchise Area	Description
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAP OF FRANCHISE AREA



APPENDIX 1-C CONTAINER SPECIFICATIONS

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement. Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

Residents will receive wheeled carts of 35-, 65- or 95-gallon capacity for three different commodity types. Republic Services will provide bins and carts that will be compliant with the following SB 1383 requirements by 2037:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

Commercial customers will receive wheeled bins of 1-4CY for MSW and Recycling. They will have the option to receive a 2CY or less bin or a 65-gallon cart for organics. Bin and color scheme will be compliant with SB 1383 requirements:

- i. Black/Gray Carts for MSW
- ii. Blue Carts for Recycling
- iii. Green Carts for Organic Waste

**APPENDIX 1-D
ACCEPTED MATERIALS**

List of all acceptable items for each cart:

a. Green Cart Accepted Items (food waste and green waste) Please note that food waste will be accepted in residential carts starting in January 2022 .

- i. Fruit
- ii. Vegetables
- iii. Bread, cheese & pastries
- iv. Pasta, grains, rice & beans
- v. Meat, poultry, seafood & shellfish
- vi. Bones & Eggs
- vii. Yard & Garden Waste

b. Blue Cart Accepted Items (Fiber plus non-organic recyclables)

- i. Aluminum Cans
- ii. Plastic bottles
- iii. Newspapers
- iv. Cereal boxes
- v. Paper bags
- vi. . Magazines
- vii. Plastic milk containers
- viii. Tin Cans
- ix. Mixed Paper
- x. Cardboard boxes
- xi. Glass bottles/jars (any color)
- xii. Telephone books
- xiii. Juice cans
- xiv. mail

c. Black/Gray Cart Accepted Items

- i. MSW
- ii. Plastic Bags & Film
- iii. Paper plates
- iv. Paper cups & utensils

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:**Transfer Facilities**

Facility Name	Location	Relationship
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

Processing Facilities

Facility Name	Location	Relationship	Material Processed
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane Anaheim CA 92806	Republic Owned	Source Separated Recyclables, C&D, Single Stream Recycling
Copper Mountain Landfill Compost Facility ADEQ Approval No. 14003400.113	34853 East County 12th St Wellton, AZ 85356	Republic Owned	Yard Waste/Food Waste
Kochergen Farms Composting SWIS# 16-AA-0022	Avenal Cutoff Rd & Omaha Ave Avenal, CA 92304	Republic Partnership	Yard Waste/Food Waste
Circle Green SWIS# 36-AA-0500	17900 Sheep Creek Rd Phelan, CA 92371	Republic Partnership	Yard Waste/Food Waste
Agromin OC Chino Green Mat. Composting SWIS# 36-AA-0476	8100 Chino Corona Rd. Chino, CA 92880	Republic Partnership	Yard Waste/Food Waste
Recology Blossum Valley Organics SWIS# 15-AA-0307	6061 North Wheeler Ridge Road Lamont, CA	Republic Partnership	Yard Waste/Food Waste
Anaergia - Rialto Bio-Energy Facility SWIS# 36-AA-0446	503 East Santa Ana Ave Rialto, CA 92316	Republic Partnership	Source Separated Organics (Food Waste)

Operating Facilities

Facility Name	Location - Yard	Location - Support
CVT Regional Materials Facility SWIS# 30-AB-0335	277 E Gretta Lane, Anaheim CA 92806	Republic Owned
Rainbow Disposal Co., Inc. SWIS# 30-AB-0099	17121 Nichols Lane Huntington Beach, CA 92647	Republic Owned

DESIGNATED FACILITIES:**Disposal Facilities (Gray Container Waste and Residual Waste):**

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D. FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container

Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H.FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

L.NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14

CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a “Designated Source Separated Organic Waste Processing Facility” pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility’s Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County’s final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be “unavailable” if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be “unavailable” if the lack of availability of the Facility is not due to Franchisee’s negligence, illegal activity, neglect, or willful misconduct. At County’s request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County’s participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee’s

operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

N.INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

IIINFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

OS PARATE HANDLING REOUREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.

3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.S.SGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16),

demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
- d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
- e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
- f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
- g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground

“overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.

5. Limits on Incompatible Materials in Recovered Organic Waste

- a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
- b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
- c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section 17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA.DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the

County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.
- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following "evaluations" at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic

Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).

- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR REQUIRED SERVICES

RATES FOR REQUIRED ROLL-OFF AND COMPACTOR SERVICES
JOHN WAYNE AIRPORT (FRANCHISE AREA 7-A)

1	1. Municipal Solid Waste (1)	
2	a. Container Rental and Equipment Maintenance	Cost (\$/unit/mo)
3	40-cy compactor (2 municipal, 1 recycling)	\$500.00
4	40-cy bin w/ side doors (metals)	\$150.00
5	40-cy open top bin (municipal)	\$75.00
6	8-cy low boy open bin (bulky)	\$75.00
7	b. Collection Service (waste/ recycle hauling)	Cost (\$/unit/pickup)
8	40-cy compactor (2 municipal, 2 recycling)	\$272.67
9	40-cy bin w/ side doors (metals)	\$272.67
10	40-cy open top bin (municipal)	\$225.00
11	8-cy low boy open bin (bulky)	\$225.00
12	c. Waste Disposal	Cost (\$/ton)
13	Municipal solid waste	\$65.82
14	Single stream recyclables	\$0.00
15	Bulky waste (magazines, cardboard)	\$0.00
16	Metal recyclables	\$0.00
17	Airfield sweeping waste	\$65.82
18	d. Documentation	Cost (\$/month)
19	Reporting	\$0.00
20	Waste characterization	\$0.00
21		Subtotal
22	2. Food Waste	
23	a. Containers and Equipment	Cost (\$/unit)
24	8-cy compactor	\$500.00
25	b. Service	Cost (\$/unit/pickup)
26	8-cy compactor	\$272.67
27	Wash-out Service (per pick-up)	\$50.00
28	c. Waste Disposal	Cost (\$/ton)
29	Food waste composting	\$127.00
30	d. Documentation	Cost (\$/month)
31	Reporting	\$0.00
32	Waste characterization	\$0.00

APPENDIX 2-B

MAXIMUM RATES FOR OPTIONAL SERVICES

REPUBLIC SERVICES
PROPOSED RATES FOR OPTIONAL SERVICES
JOHN WAYNE AIRPORT (FRANCHISE AREA 7-A)

1	1. Municipal Solid Waste	
2	a. On-Call Service	Cost (\$/unit/pickup)
3	40-cy compactor	\$272.67
4	40-cy bin with doors on the side	\$272.67
5	40-cy open top bin	\$225.00
6	8-cy low boy open bin	\$225.00
7	b. On-Call Service for Odd-Shaped Waste Collection	Cost (\$/vehicle/hour)
8	One-person crew and truck	\$145.00
	Two-person crew and truck	\$175.00
9	2. Food Waste	
10	a. Containers and Equipment	Cost (\$/unit/mo)
11	8-cy container (not a compactor)	\$150.00
12	b. Service	Cost (\$/unit/mo)
13	8-cy container (not a compactor) - 2x week	\$450.00
14	8-cy container (not a compactor) - 3x week	\$675.00
15	c. Service	Cost (\$/unit/mo)
16	8-cy compactor (3 times/week)	\$818.01
17	d. Waste Disposal	Cost (\$/ton)
18	Food waste to biofuel	\$127.00
19	e. On-Call Service	Cost (\$/unit/pickup)
20	8-cy compactor	\$272.67
21	3. Cardboard	
22	a. Containers and Equipment	Cost (\$/unit/mo)
23	40-cy compactor	\$500.00
24	Marathon Baler (V-6030 HD)	N/A
25	8-cy low boy open bin	\$75.00
26	Forklift	To be Negotiated
27	b. Service	Cost (\$/unit/pickup)
28	40-cy compactor	\$272.67
29	Making bales	To be Negotiated
30	c. On-Call Service	Cost (\$/unit/pickup)
31	40-cy compactor	\$272.67
32	8-cy compactor	\$272.67
33	d. Waste and Disposal	Cost (\$/each)
34	Cardboard recycling	To be Negotiated
35	Pick up and transport bales	To be Negotiated
36	e. Documentation	Cost (\$/each/mo)
37	Reporting	\$0.00
38	4. Cooking Oils	
39	a. Bins/Equipment	Cost (\$/unit/mo)
40	300-gal above ground tanks	To be Negotiated
41	b. Service	Cost (\$/unit/mo)
42	300-gal above ground tanks	To be Negotiated
43	Pressure wash around units	To be Negotiated
44	c. On-Call Service	Cost (\$/unit/pickup)
45	300-gal above ground tanks	To be Negotiated
46	d. Waste and Disposal	Cost (\$/gal)
47	Waste Disposal	To be Negotiated
48	e. Documentation	Cost (\$/each/mo)
49	Reporting	To be Negotiated

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												

Average 252.455

Change in CPI 0.0154

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling

Annual Exclusive Franchise Fee Adjustment

Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average

2.42%

Franchise Fee

Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous	=	Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee

Effective
1-Jul-2021(A) + (B) =

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%	3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Average of 12 previous months Year over Year
 2.42%

APPENDIX 4**IMPLEMENTATION AND COMPLIANCE PLAN**

1. Confirm Implementation Team
 - a. Our municipal managers will administer the franchise and act as liaisons to the County. Specific duties include working with County staff regarding contract administration, compliance and implementation.
2. Conduct Initial Scoping Session
 - a. Key transition team members will meet to review and outline all program requirements with County decision makers. The team will outline program objectives, key contractual requirements, timelines, and important milestones, as well as to assign specific responsibilities related thereto.
3. Discuss Procurement
 - a. Republic Services already has the vehicles needed to service the County.
 - b. Containers for residential and commercial customers are already deployed in the service area. Labeling of containers with accepted material type will be completed within the SB 1383 timeline. Operationally, color-compliant carts and containers will be delivered to all customers according to SB1383 requirements and timeline.
4. Develop Routes
 - a. Our Operations Managers in Huntington Beach and Anaheim are responsible for the management of our current operations for the County. Our operations team has already taken safety hazards, security access, and geography into consideration to develop route structures and sheets. The team is constantly reviewing routes to improve efficiencies and put safety first.
5. Provide Community Communication and Education:
 - a. Site Visits: Republic's has recycling coordinators, who will be responsible for outreach, education, and completing assessments to establish proper recycling service levels. Commercial customers will be broken down into two-segments: multi-family and commercial businesses. Each commercial and multi-family customer will receive a tailored site assessment to establish services levels, container needs, and space restrictions.
 - b. Targeted Outreach: Initial outreach to AB341 and AB 1826 non-compliant Commercial and Multi-family customers will be emphasized to increase participation and diversion. SB 1383 compliance will be achieved through robust education and outreach.
 - c. Marketing Collateral: Republic has a full marketing department creating and producing materials for the program. We will roll out an initial mailer to describe the new programs followed by an annual newsletter. Newsletters and mailers will be provided to each residence describing what material type can be placed in which containers.
6. Ongoing Compliance
 - a. Residential Three-cart System: Residential compliance with existing and emergent regulations is gained primarily through a three-cart system and the distribution of new carts that are appropriately colored and labeled, as well as the inclusion of food waste with yard waste in the green/organics cart.
 - b. Tracking: Customer data will be collected through a combination of interactive applications, Republic's website, toll free and local numbers for customers, the Company's waste representatives, and mail-back programs.
 - c. Driver Feedback: We will use collection drivers' notes on contamination levels to identify potential training opportunities and provide businesses easy tips and pointers to reduce contamination.
 - d. Route Reviews and Audits: The results of the reviews and audits will be collected in a central data base and be made available to the County of Orange for reporting purposes. Out of compliance customers will be provided with additional education materials.
 - e. Reporting: Republic Services provides annual reporting as required by SB 1383.

APPENDIX 5

OUTREACH AND EDUCATION PLAN

Implementation of SB1383 will require a comprehensive education and outreach program. Republic supplies the necessary tools (proper containers) and resources (educational outreach, customer access to information, technical assistance and training) to its customers. We also perform monitoring activities and provide reporting.

Our Commercial Approach

Our Huntington Beach and Anaheim Divisions already service multifamily and commercial businesses in the Unincorporated Franchise Areas 2 (Yorba Linda, Placentia and Buena Park), 4 (Fountain Valley) and 7-A (John Wayne Airport). We will provide the following services to meet legislative requirements for AB 939, AB 341, AB 1826, and SB 1383:

1. Field Staff: Customer engagement and diversion objectives will be the ongoing focus of Republic's recycling coordinators who will be charged with spending time in the field working with customers. This approach will assist the County in its move towards zero waste by:
 - a. Increasing recycling participation rates from program outset and improving them over the term of the Agreement through a focused understanding of the operations of various business types and create internal programs that shape external results.
 - b. Ensuring communications, outreach, training, and education regarding zero waste, waste reduction and prevention, reuse, and recycling are easy to understand.
 - c. Create a sustainable program to support its customers in making logistical decisions concerning management of discarded materials from the time the Agreement is signed through the entire term to achieve and sustain program momentum and results.
2. Initial Site Visits and Assessments: Recycling Coordinators will target businesses that generate a high volume of organics material and will work in phases to maximize business participation and recycling performance.
 - d. Businesses will receive an introductory letter describing the organics program, state regulations, and need for compliance/ implementation.
 - e. During the initial site visit, our recycling coordinators will recommend an organics collection service level and formalize next steps for cart or container delivery and service implementation. When performing the site visit, the recycling coordinator will assess businesses on a case-by-case basis to create an individualized program that is tailored to each business. They will use an audit form to accumulate all data from site visits and provides a brief summary report that can be provided to the customer.
 - f. For sit-down restaurants, outreach staff will focus on back-of-house collection and help train kitchen staff, bussers, and dishwasher staff to place materials in the correct container.
 - g. For cafeterias, and fast-food style restaurants, our staff will address both back-of house and front-of-house collection to see if there are opportunities for adding proper signage or additional containers, as well as if the business could use compostable products to help prevent contamination.
 - a. Following up with onsite business contacts in a timely manner is essential when launching a new collection service. After the containers are delivered and all training has been performed, the recycling coordinator will follow up with the business manager to review progress and provide additional educational support or resources as needed, including photos of contamination if applicable.
3. Multi-Family Education: Includes presentations and handouts on the importance of sorting properly and describing what materials go where.
 - a. Multi-Family Service Guide
 - b. Collection Point Posters
 - c. Meetings with Property Manager
4. Commercial Education: Compliance with State regulations will be the focus for this program along with maintaining clean recycling loads.
 - a. Commercial Service Guide: Contains information on proper sorting for trash, recycle, organics, as well as additional services available for proper disposal of hazardous material, hard-to-recycle material, and large project waste solutions.

- b. Posters, Stickers, Flyers
 - c. Organics educational materials will highlight specific materials accepted in the program, such as clean food scraps, green waste, approved compostable paper products including cutlery and service-ware.
 - d. Commercial Newsletter: Prepared and distributed on an annual basis.
 - e. Waste Audits and Recycling Technical Assistance.
 - f. Presentations to Business Organizations.
 - g. Special Events: Republic will arrange for and staff a booth or table at County events to promote and distribute educational materials to promote source reduction, reuse, recycling, and composting, and to answer questions about collection services.
5. Monitoring: Republic will review lists of affected generators to ensure they are subscribing to and participating in the commercial programs. We will also identify and notify businesses that are not in compliance, as well as provide the proper technical assistance to ensure they have recycling and comply with the ordinance. All customer interactions and results will be tracked in a database.
 6. Corrective Action Notices (Oops Tags): Increase the resolution of contamination issues by notifying customers in writing with a corrective action notice, declining to service contaminated containers, and imposing charges to customers for excessive contamination.
 7. Reporting: Our team will be assigned to work within the County. Data will be handled through our internal systems and shared with the County.
 8. Enforcement: Republic will identify businesses that are out of compliance and provide technical assistance efforts to recycle. If the business chooses not to comply, Republic will work with the County to develop appropriate solutions and potential enforcement to maintain and increase diversion and compliance over the contract term. Commercial businesses will be required to participate in recycling programs to support AB341 and AB1826. Staff will work with the businesses to right size their disposal.
 9. Commercial and Multi-Family Compliance: Compliance is gained through personalized outreach and recycling technical assistance to optimize recycling and service levels generally, and the implementation of a properly signed and colored three-container system. Republic will offer solid waste, recycling, and organic collection services with a variety of container sizes and service frequencies to meet multi-family and commercial community needs, up to six days per week. Collections in the following container sizes: 35, 65, and 95-gallon cart; 2 to 3 cu. yards bins, and 10, 30, and 40 cu. yard roll off boxes; and 15, 20, 30, and 40 cu. yard roll off compactor receiver boxes for recyclable materials, trash, and green waste.
 10. Ongoing Support: Republic recognizes that to maintain a successful organics collection program, it is essential to provide ongoing feedback and assistance. Therefore, Republic will contact commercial organics participants annually thereafter or as needed to address staff turnover and provide educational refreshers. Additionally, all outreach materials will be readily accessible on Republic's Orange County unincorporated website.

Our Single Family Approach

Republic Services recognizes the importance of aligning outreach plans and goals with the County of Orange to increase diversion and support the County's diversion goals for single family residents as well. Below is a list of tasks that Republic Services will accomplish to meet these goals.

1. Field Staff: Republic's recycling coordinators will be charged with spending time coordinating single family education and outreach activities as listed below.
2. Single Family Education and Outreach
 - a. Residential Services Guide: Outlines proper sorting of material for disposal with both text and images, proper handling of universal and hazardous wastes, proper cart set-out procedures collection schedule, holiday collection schedule, and additional resources for customers.
 - b. Residential Newsletters: Annually distributed to inform residents about collection and waste reduction programs and as well as educational and topical issues.
 - c. Community Event Notifications: Promoting seasonal community events, including neighborhood clean-up events, Christmas tree collection, and other collection events.
 - d. Educational presentations to homeowner associations/HOA
 - e. Posters and Informational Displays: Posters may be made available to post at local venues and community meeting places, such as libraries and community centers, to help educate public on collection and diversion initiatives.
3. Ongoing Outreach
 - a. Community/Compost Workshops: Republic will attend community workshops as an invited guest to promote and explain the collection and diversion programs.

- b. Community Events: Republic will be involved in the community through County-sponsored, civic, and business events and activities.
 - c. School Education Programs: Available online with K-12 curriculum.
 - d. Website: Available 24/7 on the web.
 - i. Republic Services website: Users can enter their address in order to receive information specific to them, including detailed explanation of programs and services available, and the ability to schedule pick-up, change service, or to identify the correct contact person within Republic Services for services requests.
 - ii. County Specific website: The website will be built and maintained specifically for the County of Orange, where County-specific content will be available, including a description of general services provided, Republic contact information, and hours of operation. The website will link to the County's webpage.
 - iii. Recycling Simplified website: Information and informative videos by material type are posted at RecyclingSimplified.com, along with a full recycling curriculum for grades pre-kindergarten through 12, developed for Republic by educators.
4. Education and Outreach Activity Schedule: The following schedule summarizes Republic's primary education and outreach activities.

Sample Outreach Materials

Item	Residential	MF & Comm	Frequency
New Program Guide	●	●	One-time, direct mail
Annual Newsletters	●	●	Annually -include information about waste reduction programs
Franchisee Website	●	●	24/7 – “How-To” information educational links
Information “How To” Video	●	●	Ongoing – video educating on new programs & services available
Billing Inserts	●	●	Quarterly – To provide additional information on required mandates
Corrective Action Tag Notice	●	●	As needed – Driver to directly communicate contamination issues
Educational Presentations	●	●	As needed – Host community events to emphasize and educate residents and businesses
Education Booths	●	●	As needed – at County events to promote & distribute proper handling of recyclable materials
Large Venue Events		●	As needed – Recycling Coordinators will provide assistance to provide input on waste station placement
Print Materials	●	●	Upon request – Posters, stickers, brochures for customer education
Multimedia Resources	●	●	Ongoing – Recycling Simplified links for multimedia outreach
Meetings with Property Managers & HOA's		●	As needed – Meeting to assess services needed and implement new programs
Waste Audits		●	Annually & as needed – Waste characterizations offered by Recycling Coordinators to identify recyclable material generated on site
Technical Assistance		●	Ongoing & upon request – To monitor recycling & organics bins for continued participation of new programs

Sample Cart/Bin Labels

EXAMPLES OF CARTS AND IN MOLD GRAPHICS TO COMPLY WITH SB 1383



Sample Commercial Cart/Bin Food Waste Label



Sample Commercial Recycling Flyer



Sample Commercial Recycling Brochure



Sample Oops Tag



Sample Special Events Flyer



APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use

of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

**Waste Management Collection and Recycling, Inc.
dba Waste Management of Orange County**

Franchise Area 7B

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS	5
ARTICLE 1: DEFINITIONS; INTERPRETATION	7
SECTION 1.1. DEFINITIONS	7
SECTION 1.2. INTERPRETATION.....	22
ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE	24
SECTION 2.1. REPRESENTATIONS AND WARRANTIES	24
ARTICLE 3: GRANT OF FRANCHISE	25
SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS	25
SECTION 3.2. TERM OF FRANCHISE AGREEMENT	26
SECTION 3.3. FRANCHISE FEE	26
SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE	26
SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE.....	27
SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES	27
ARTICLE 4: COLLECTION SERVICES	29
SECTION 4.1. GENERAL SERVICES	29
SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS	32
SECTION 4.3. CONTAINERS	33
SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION	34
SECTION 4.5. COLLECTION LOCATIONS	36
SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.....	36
SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION	37
SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION.....	37
SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION	37
SECTION 4.10. OTHER WASTES	37
SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE	38
SECTION 4.12. SELF-HAUL OPT-OUT	38
SECTION 4.13. COUNTY DESIGNATION OF FACILITIES.....	38
ARTICLE 5: PROCESSING AND TRANSFER	39
SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS	39
SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES	39
SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES	39
SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS	39
SECTION 5.5. TITLE TO RECOVERED MATERIALS	40
SECTION 5.6. CONTAMINATION MONITORING PROCEDURES	40
SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.....	44
ARTICLE 6: SOLID WASTE DISPOSAL	46
SECTION 6.1. SOLID WASTE DISPOSAL.....	46
ARTICLE 7: COMPLIANCE	48
SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN.....	48
SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS.....	48
SECTION 7.3. DIVERSION FEES.....	48
SECTION 7.4. OUTREACH AND EDUCATION PLAN	49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 55

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAP OF FRANCHISE AREA86

APPENDIX 1-C 87

CONTAINER SPECIFICATIONS 87

APPENDIX 1-D 90

ACCEPTED MATERIALS90

APPENDIX 1-E92

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 92

APPENDIX 2-A 106

RATES FOR RESIDENTIAL SERVICE 106

APPENDIX 2-B107

RATES FOR COMMERCIAL SERVICE 107

APPENDIX 2-C 109

RATES FOR OTHER SERVICES..... 109

APPENDIX 3-A 110

EXAMPLE RATE ADJUSTMENT CALCULATION 110

APPENDIX 3-B111

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 111

APPENDIX 4 113

IMPLEMENTATION AND COMPLIANCE PLAN..... 113

APPENDIX 5 128

OUTREACH AND EDUCATION PLAN.....128

APPENDIX 6 134

RECORD KEEPING AND REPORTING 134

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 7B for the safe Collection, Transport, Recycling, and Disposal of

Discarded Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 7B; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, or Centralized Organic Recycling Facility at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management that is an Organic Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Waste Management Orange MRF at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the Waste Management Sunset Environmental at 16122 Construction Circle West, Irvine, CA 92606, which is owned and operated by Waste Management, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of

Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 7B, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 7B, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 7B in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 7B, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION. Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray

Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

(A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and

compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT.**

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

- (1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.
- (2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.
- (3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.
- (4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

**Paul
Albarian**

Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County
Counsel, ou,
email=Paul.Albarian@coco.ocgov.
com, c=US
Date: 2021.05.11 12:45:26 -07'00'

By: _____

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



Franchise Area	Description
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAP OF FRANCHISE AREA



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

35 GALLON EG

Capacity	35 Gallon
Model	35EG
Height	38.50"
Width	18.50"
Depth	24.10"
Load Rating	122.5 lbs.
Carts Per Stack	10 high/1,260 per truckload

**65 GALLON EG**

Capacity	65 Gallon
Model	65EG
Height	40.58"
Width	26.70"
Depth	28.11"
Load Rating	227.5 lbs.
Carts Per Stack	13 high/936 per truckload

**95 GALLON EG**

Capacity	95 Gallon
Model	95EG
Height	43.50"
Width	29.20"
Depth	33.30"
Load Rating	332.5 lbs.
Carts Per Stack	13 high/702 per truckload

Colors are available in all sizes.



Sample Waste Management Containers



Sample Waste Management Roll Offs



**APPENDIX 1-D
ACCEPTED MATERIALS**

SINGLE STREAM RECYCLABLE MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Paper	
<ul style="list-style-type: none"> White paper, colored paper, envelopes, junk mail, soft cover books/manuals glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper 	<ul style="list-style-type: none"> Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hard cover books/manuals, Tyvek (non-tearing) envelopes, and non-paper bags
Cardboard	
<ul style="list-style-type: none"> Cardboard, Chipboard/boxboard, Milk/juice cartons, Egg cartons 	<ul style="list-style-type: none"> Waxed cardboard
Aluminum and Tin	
<ul style="list-style-type: none"> Empty aluminum cans, Empty aerosol cans Tin cans, Loose jar lids 	
Glass	
<ul style="list-style-type: none"> Glass including empty glass beverage containers, Empty glass food containers, all glass colors 	<ul style="list-style-type: none"> Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material
Plastic	
<ul style="list-style-type: none"> Empty PET bottles #1, HDPE bottles #2, Plastics #3, #4, #6 and #7, HDPE bottles #5 	<ul style="list-style-type: none"> Plastic liners (i.e. Cereal bags), Bubble wrap, Plastic film
Other	
	<ul style="list-style-type: none"> Wood furniture, Styrofoam, Solid Waste, Hazardous Waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste and small manufactured goods (e.g. purses, handbags and backpacks)

ORGANIC MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Source-Separated Food Waste	
<ul style="list-style-type: none"> All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silver Ware, play plates, cups, glasses, diapers, solid waste single stream recyclable materials, green waste materials, food processing liquids, hazardous waste, Kitty litter, pet waste, rocks, dirt Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Co-Collected Green Waste and Food Waste	
<ul style="list-style-type: none"> Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter, all food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Food Processing Liquids, Hazardous Waste Polystyrene plastic backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined wrap, kitty litter, pet waste, rocks, dirt, and tree trunks, stumps and branches greater than 6" in diameter Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Source-Separated Manure	
<ul style="list-style-type: none"> Manure, wood shavings and stable bedding 	<ul style="list-style-type: none"> Trash, landscaping waste, recyclables or plastic liners/film

Refuse	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Garbage	
<ul style="list-style-type: none"> All refuse and garbage such as plastic bags and film, diapers, pet waste, polystyrene foam, wax coated paper products, plastic utensils, dishware, ceramics, hardcover books, garden hoses, non-donatable clothing/textiles, non-recyclable plastics, and small manufactured goods (e.g. purses, handbags and backpacks) 	<ul style="list-style-type: none"> Items acceptable in the single stream recyclable and organic material list, as well as hazardous waste, electronic waste, construction debris and bulky items

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A.GENERAL REOUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Transfer Facilities

Transfer Facility		
	i. The name and address of the facility;	Waste Management Sunset Environmental 16122 Construction Circle West, Irvine, CA 92606
	ii. Owner	Sunset Environmental is solely owned and operated by Waste Management Collections and Recycling, Inc.
	iii. SWIS ID	30-AB-0336

Processing Facilities

MRF		
	i. The name and address of the facility;	Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Orange MRF is solely owned and operated by Waste Management, Inc.
	iii. SWIS ID	30-AB-0363

Organics (Source separated green waste with co-mingled food waste)		
	i. The name and address of the facility;	Tierra Verde Industries 8065 Marine Way, Irvine, CA 92618
	ii. Owner	Tierra Verde Industries
	iii. SWIS ID	30-AB-0403

Organics (Source separated commercial food waste)		
	i. The name and address of the facility;	Centralized Organic Recycling (CORE) Facility Located at Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Waste Management owns and operates this facility.
	iii. SWIS ID	30-AB-0363

DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F ACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee’s contracts. County, or its agent, will have the right to seek verification of Franchisee’s reported aggregate capacity through inspection of pertinent sections of Franchisee’s contracts with such entities to determine the duration of Franchisee’s commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee’s office and will not retain any copies of review material. Franchisee will fully cooperate with the County’s request and provide County and its agent(s) or access to Franchisee’s records.
- 2) Franchisee’s Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor’s guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee’s obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities.

Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that

will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE, to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH:

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials,

SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS (ORGANICS IN GRAY CONTAINER):

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X.PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z.MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

WASTE MANAGEMENT
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 7B

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 7-B
		Emerald Bay and Laguna Coast Wilderness Park
1	Basic Service - # of Accts (1)	\$ 29.25
2	Senior Discount - 10%	\$ 26.33
3	Extra Recycling Cart - # of Carts	\$ 7.00
4	Extra Organics Cart - # of Carts	\$ 10.00
5	Extra Waste Cart - # of Carts	\$ 12.00
6	Extra Bulky Item Pickup Above 3 per Year	\$ 35.00
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 15.00
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	1X a week Walk-In Service	\$ 36.25
13	2X a week Curbside Service	\$ 58.00
14	2X a week Walk-In Service	\$ 72.00

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 7B**

Monthly Rates*

Row	Service Level	Franchise Area 7-B
		Emerald Bay and Laguna Coast Wilderness Park
2 CY Refuse Bin		
1	1x/week	\$ 220.00
2	2x/week	\$ 424.00
3	3x/week	\$ 636.00
4	4x/week	\$ 848.00
5	5x/week	\$1,060.00
6	6x/week	\$1,272.00
7	Extra Pickup	\$ 85.00
3 CY Refuse Bin		
8	1x/week	\$ 260.00
9	2x/week	\$ 504.00
10	3x/week	\$ 756.00
11	4x/week	\$1,008.00
12	5x/week	\$1,260.00
13	6x/week	\$1,512.00
14	Extra Pickup	\$ 95.00
4 CY Refuse Bin		
15	1x/week	\$ 280.00
16	2x/week	\$ 540.00
17	3x/week	\$ 816.00
18	4x/week	\$1,088.00
19	5x/week	\$1,360.00
20	6x/week	\$1,632.00
21	Extra Pickup	\$ 105.00
Locked 3 CY Refuse Bin		
22	1x/week	\$ 305.00
23	2x/week	\$ 554.00
24	3x/week	\$ 811.00
25	4x/week	\$1,068.00
26	5x/week	\$1,325.00
27	6x/week	\$1,582.00
28	Extra Pickup	\$1,512.00
Locked 4 CY Refuse Bin		
29	1x/week	\$ 325.00
30	2x/week	\$ 590.00
31	3x/week	\$ 871.00
32	4x/week	\$1,148.00
33	5x/week	\$1,425.00
34	6x/week	\$1,702.00
35	Extra Pickup	\$ 85.00
2 CY Organics Bin		
36	1x/week	\$ 255.00
37	2x/week	\$ 494.00
38	3x/week	\$ 741.00
39	4x/week	\$ 988.00
40	5x/week	\$1,235.00
41	6x/week	\$1,482.00
42	Extra Pickup	\$ 90.00

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 7B**

Monthly Customer Rates*

Row	Service Level	Franchise Area 7-B
		Emerald Bay and Laguna Coast Wilderness Park
	65-Gallon Organics Cart	
1	1x/week	\$ 102.00
2	2x/week	\$ 199.00
3	3x/week	\$ 299.00
	Any Size Refuse Cart	
4	1x/week	\$ 32.85
5	2x/week	\$ 63.70
6	3x/week	\$ 96.55
7	4x/week	\$ 129.40
8	5x/week	\$ 162.25
9	6x/week	\$ 195.10
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

**WASTE MANAGEMENT
ROLL-OFF CONTAINER RATES
FRANCHISE SERVICE AREA 7B**

Customer Rates

Row	Service Level	Franchise Area 7-B
		Emerald Bay and Laguna Coast Wilderness Park
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 509.00
2	Over 40 CY Roll-Off	\$ 605.00
3	21-30 CY Compactor	\$ 605.00

**WASTE MANAGEMENT
RATES FOR OTHER SERVICES
FRANCHISE AREA 7B**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 7-B
		Emerald Bay and Laguna Coast Wilderness Park
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 110.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
Annual Exclusive Franchise Fee Adjustment
Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	-------

Franchise Fee
Effective
1-Jul-2020

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee
Effective
1-Jul-2021

(A) + (B) = **\$307,267.88**

Attachment J

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

							3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%						

Average of 12 previous months Year over Year
2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

IMPLEMENTATION AND COMPLIANCE PLAN

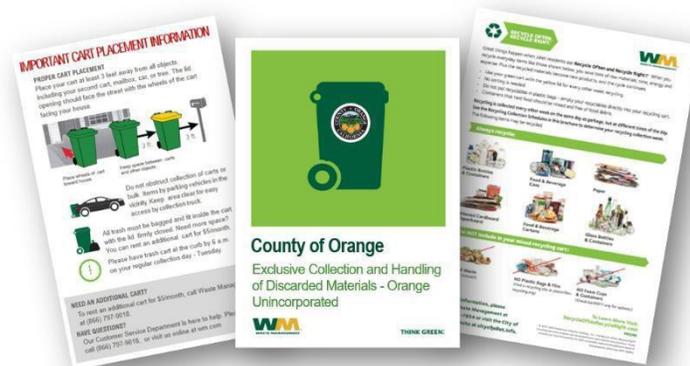
A Seamless Implementation with a Trusted Partner

Proposers should provide an implementation schedule that demonstrates that your company has the ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements. The plan should include detailed planned tasks, procedures and schedule to ensure the County's compliance with all applicable laws and regulations. The plan should include but not be limited to programs the proposer will implement in order to be in compliance with AB 341, AB 1826, SB 1383, and related regulations. Proposer shall identify which method they plan to use to achieve SB 1383 compliance (1 bin, 2 bin, 3 bin, 3+ bin, or Performance Based).

Transition Implementation

Our Commitment to the County – A Risk-Free Implementation

The County has relied on Waste Management as your local service provider decades. Throughout our partnership with UOC, we have shown our dedication to continuous improvement - better processes, more efficient procedures, and investments in technologies that enhance our collection capabilities and customer service.



Sample Images of Welcome Packets

Transitioning service providers would require rebuilding an already successful program from the ground up. With all service requirements already in place, our team is able to concentrate on delivering dependable

collection and enhancing your residents' experience from the moment the contract is awarded. Our team's experience in the County is unparalleled and we would provide the least disruption to customers during the transition to the new Agreement.

In addition to our already founded local team, Waste Management will be designating one dedicated Recycling Coordinator for the County of Orange Unincorporated to ensure a robust implementation plan is achieved and maintained.

The Recycling Coordinator will be ready by January 1, 2022 to ensure they are trained and involved in the SB 1383 implementation process. Together, the Recycle Coordinator, your local contract administrator, Hashem Shokair, and our local Operations team will be available to assist the County and its residents and businesses throughout the contract transition and program implementations.

The benefits for continuing to work with Waste Management are quantifiable and significant. We offer:

Established and reliable collection services.

We already have the vehicles, collection equipment, operations site, fueling station, processing facilities, account data, and systems in place to offer a risk- and disruption-free implementation.

Invaluable experience.

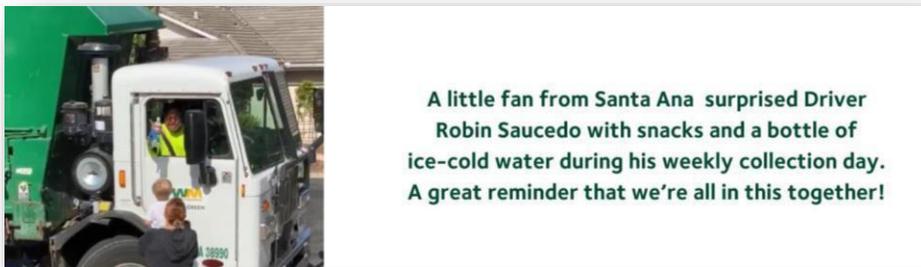
Our experienced drivers know every road and customer in your community, and our knowledgeable local staff is already well-versed in UOC contract terms and service offerings. Further, we leverage lessons learned to offer proven public education and outreach strategies for communicating available services, resources, and maximizing customer participation.

Existing relationships.

Over the years, Waste Management staff members have worked hard to become a trusted community partner. We have built meaningful relationships with County staff, your customers, and local groups and organizations. We will continue to collaborate with these partners to advance service offerings, problem solve, innovate, and support the vitality of the UOC community.

A commitment to continuous improvement.

We seek to continuously improve our services and offer the latest and greatest technologies and innovations in sustainability and integrated operational technology.



If Waste Management is selected as the service provider for the County's new Contract, we will manage the implementation with meticulous care. Below we have outlined our approach to the most critical components of the new Contract implementation, including equipment and resources, customer service, billing, and public education considerations.

Critical Collection Equipment and Resources in Place Today

Key to all successful new contract implementations is having the most basic collection equipment and resources in place, tested, and proven. We understand one of the County's top priorities is for their collection partner to deliver the base collection services - confirming customers have containers to put materials into and that material is collected on-time and in a professional and safe manner.

All of Waste Management's UOC collection equipment and resources are already in place, eliminating any opportunity for customer disruption associated with delays and equipment problems that are often associated with new contract implementations. Further, our local Operations Team has decades of experience managing current route schedules. This means that swaps of new containers will be seamless to the residents' normal routines.

Core Collection Equipment and Resources		
	Waste Management Competency	Benefits to the UOC Community
Drivers 	<p>Management employees have successfully completed rigorous safety and customer service training requirements and have years of experience already working UOC streets.</p>	<ul style="list-style-type: none"> • Safer more experienced drivers in your community. • Existing customer knowledge and personalized customer service. • No driver learning curve resulting in fewer missed pick-ups.
Trucks 	<p>Waste Management's fleet of collection vehicles is already in place with years of service ahead. All our vehicles are subject to daily preventive maintenance and safety inspections. Our fleet is maintained to the highest safety standards and is fully compliant with local and federal safety standards.</p>	<ul style="list-style-type: none"> • Trucks are guaranteed ready-to-roll on day one of the new Contract. • Reliable collection vehicles with fewer breakdowns resulting in on-time collections.
Containers 	<p>With Waste Management carts currently deployed in your community, existing equipment inventory knowledge allows for deliveries and swaps to be successfully conducted each day.</p>	<ul style="list-style-type: none"> • Minimized customer confusion associated with swapping out carts and containers. • Local yard guarantees timely and efficient cart delivery services.
Routes and Customer Data 	<p>No changes to current collection schedules will be associated with our transition. Waste Management collection routes were created with eRouteLogistics software and take into account local traffic patterns, truck capacity, and disposal locations.</p>	<ul style="list-style-type: none"> • Maximum route efficiency provides the greatest fiscal value for ratepayers. • Less wear and tear on city streets. • No change in collection schedules ensures the continuation of guaranteed service
Onboard Computing System (OCS) 	<p>Each collection truck that services UOC is already equipped with onboard tablets that display drivers' exact route, all scheduled collections, and relevant account notes such as container placement. The tablets include GPS technology that allows drivers to capture route data in real-time and note the status of each collection (i.e., collected or a service exception).</p>	<ul style="list-style-type: none"> • Customers can obtain a collection estimated time of arrival (ETA) through both our website and mobile app. • Collection statuses minimize the opportunity for missed collections. • Provides customer service reps with near-real-time field data to assist with customer inquiries.

Delivering an Exceptional Customer Service Experience

UOC residents have many options for how and when they interact with Waste Management. Whether via our mobile app, LiveChat, online at wm.com, or by phone, customers want an interaction that is fast, friendly, and convenient. Waste Management's dedicated Customer Service Team supports the County's customers by managing our phone, email, and online customer service functions and are ready to serve the County on day one of the new Contract.

These experienced customer service personnel are already accustomed to working with UOC staff and are familiar with residents and businesses and current Contract services and terms.

Further, the County can always count on reaching the local contract administrator, Hashem Shokair or your experienced designated Recycling Coordinator at any time on their mobile phones – day or night. Waste Management’s local staff are never more than a few minutes away from instant access to information and personalized customer service for not only UOC staff, but all residents and businesses of UOC.

Proven Customer Service Tools and Training Since accurate and clear communication is a cornerstone of our Contract implementation approach, we place significant effort, resources, and time preparing and training our customer service center employees. Training material customized to the County Unincorporateds’ collection services, programs, and rates has already been developed and is currently in-use.

Review and Update Informational Tools. Waste Management will review and update UOC-specific information, including all new program enhancements on our proprietary and already in use CRM application Green Pages. Green Pages is an online database that allows Waste Management Customer Service Representatives (CSRs) to pull up customer-specific service information, service offerings, and rates within a matter of seconds. Each time a mailing is sent out to residents, it is uploaded to Green Pages – allowing agents to reference and look at the same documents that the customer is viewing. Our CSRs use this tool during every call, ensuring that we provide customers with the most accurate service information.

Intensive, Small-Group Training. All CSRs handling County Unincorporated calls regularly receive training in small groups. Before implementation, CSRs will review service offerings specific to the County, with special emphasis placed on contract changes including new rates, programs, policies, and procedures. CSRs will also be provided with copies of all customer mailings distributed in your community.

Increased Staffing. Although it is anticipated that minimal impacts will be associated with a Waste Management new Contract implementation, there may be a call spike during the first couple of weeks of the new Contract due to distribution of service brochures and other customer outreach efforts. In addition, customers occasionally call to request duplicate copies of materials already sent or to confirm their collection schedule. It is critical to prepare for this spike in call volume with additional staffing. As with any new contract implementation, Waste Management’s state-of-the-art customer service center will make sure there is a pool of additional CSRs trained on County Unincorporated-specific issues to help us manage any increases to normal call volume.

Billing Preparation and Considerations. Already having accurate service, contact, and billing information means all aspects of our customers’ experience will go smoothly – from hassle-free pick-ups to accurate commercial invoicing. Our database is continuously updated and maintained. Our staff works diligently to verify account information during each customer interaction, and customers frequently provide updates to phone numbers or payment information themselves via their wm.com account.

If the County Unincorporated selects Waste Management for the new Contract, commercial customers will benefit from continued access to our hassle-free billing and payment options. This is especially valuable as a growing portion of Waste Management customers are accustomed to the convenience of managing their accounts online at wm.com. Likewise, many customers prefer electronic invoices. With any other service provider, customers will be required to start over – creating new online profiles, electing invoice preferences, and if auto-pay is available, resubmitting their payment information. Often, this will result in missed or late payments, causing inconvenience for many customers.

24/7 access to wm.com. Our team will build on the County Unincorporated-specific Waste Management webpage to include meaningful service information, photos, and resources that reflect the changes in the new Contract. Using Waste Management's local website, customers will easily find information about the upcoming Contract transition as well as service information, disposal resources, rates, and recycling resources. Online account management functionality allows customers to:

Initiate service or request additional services.

Schedule an empty and return (roll off customers only).

View pickup schedule and collection ETA.

Schedule an extra pickup or bulky item collection.

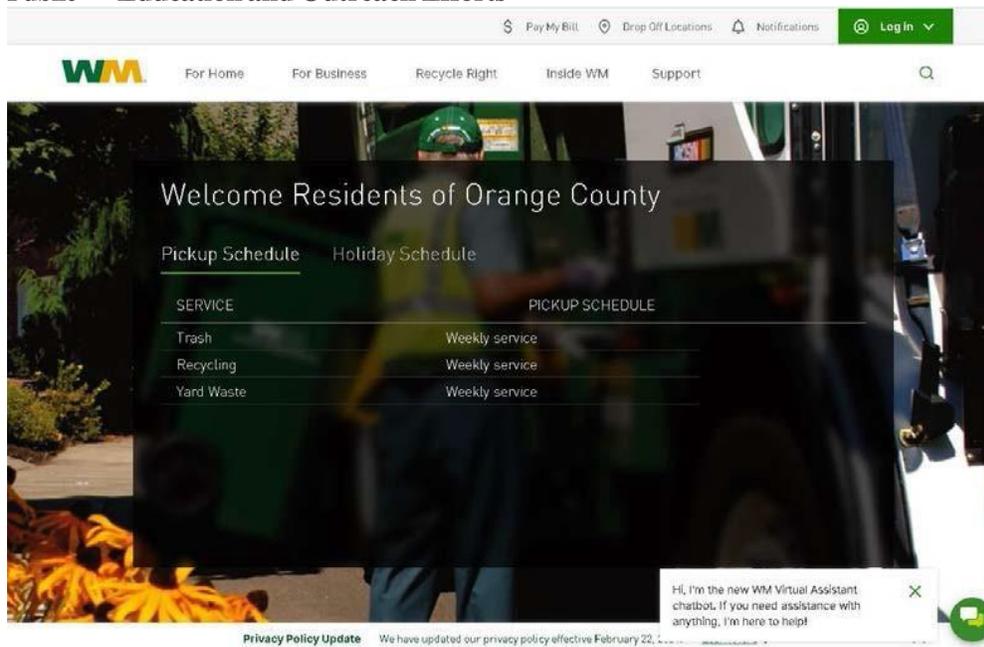
Request cart or container repair.

Edit account contact information.

Communicate with our Customer Service via email or digital chat.

For County Unincorporated Single-family Dwelling, Multifamily Dwelling, and Commercial customers specifically, the website will also contain information about pertinent State mandates such as AB 939, AB 341, AB 1826, and SB 1383 and what constituents need to know to comply. This website will be used to upload various information about the County's organics recycling program such as service guides, flyers, videos, community workshops dates, and more as described in the following sections. In addition, the website will have a Frequently Asked Questions (FAQs) page and a form that will allow customers to submit recycling questions directly to Waste Management's County Unincorporated-dedicated Recycling Coordinator. We will also work with County staff to place a link to the County website and provide information for the County's website, if desired.

Public Education and Outreach Efforts



With Waste Management, the County will not need to dedicate a large portion of public outreach efforts toward collection, customer service, or billing changes that typically go along with a new service provider. Instead, as part of the new Contract, we will focus on informing customers of all newly available services,

changes in California law, and maximizing their knowledge and participation in recycling, reuse, and waste prevention.

Details of Waste Management’s extensive education and implementation efforts are highlighted below for each customer type.

Single-Family Dwelling (SFD) Public Education and Outreach Activities

Welcome Letter

By July 1, 2022, we will mail each residential customer a notification to inform them of the new Contract with Waste Management. This letter will contain an overview of key implementation information and changes, and the dates of the town halls, where residents can join Waste Management to learn more information and ask questions. This letter will also contain information about Waste Management programs and offerings, including the bulky item collection program, how to successfully participate in the recycling program (i.e., Contaminants, Dos and Don’ts how to apply for the senior discount, how to contact Customer Service and access the website, and more..

“Please tell WM that my driver Felix, is so wonderful and nice, he does an amazing job, Felix needs to be recognized.”

E. Chumchal, Wellington Ave.



Below is a sample Welcome Letter that would be further customized for the County's approval.

WM WASTE MANAGEMENT

UNINCORPORATED ORANGE COUNTY Residential Service Information

Welcome to Waste Management!
Waste Management is proud to be your waste and recycling service provider. This guide will assist you in using your residential service.

To get started, Waste Management provides you with two different wheeled carts: one for recyclables and one for trash. Your trash cart is serviced once per week on your regularly scheduled service day and your recycling cart is serviced once every other week on your service day. Information about what materials should go into each cart are included on the follow page of this guide.

For more information about your residential service, visit Home.wm.com/santa-ana or contact the City of Santa Ana at the number listed in this guide. By working together, we can keep Santa Ana a clean, green community!

ADDITIONAL SERVICES & ACCOUNT UPDATES

- For information on additional services, such as bulky item collection and additional trash or recycle carts, please visit wm.com and type in your address.
- To discontinue service or update the billing information on your account, please visit the City's website, Home.wm.com/santa-ana and complete a Utility Service Termination or Update/Change Form.

CART SERVICE REMINDERS

- Place all materials in the appropriate container and close the lid.
- Material left outside the cart(s) will not be collected.
- Roll carts into street or alleyway and place them against the curb, handles facing your home. Place carts at least two feet apart from other carts and objects.
- Place your carts at the curb by 6:00 a.m. on your service day. Emptied carts should be removed from curbside by 6:00 p.m. on the same day.

HOLIDAY SCHEDULE
Collection service does not occur on the following holidays:

- > New Year's Day > Memorial Day > Independence Day
- > Labor Day > Thanksgiving Day > Christmas Day

When a holiday falls on a weekday, your collection will be delayed one day. If a holiday falls on a Saturday or Sunday, there will be no delays in your service.

CUSTOMER SERVICE
(441) 822-2200

Follow these three simple rules while recycling:

1. Recycle all empty bottles, cans and paper.
2. Keep foods and liquids out of the recycling bin.
3. Keep recyclables loose and not bagged in plastic bags. Take plastic bags back to your local grocer.

FIND DETAILED RECYCLING INFO ON THE BACK OF THIS PAGE.

THINK GREEN.

RECYCLING COLLECTION
Your cart with a Blue Lid is for Recycling Collection. Waste Management and the City are working together to help residents to Recycle Right. Just follow the guidelines below and then place your recycle cart at the curb on your regularly scheduled service day every other week. Because we value your participation, Recycling Collection is being provided at no additional cost to you.

RECYCLE OFTEN. RECYCLE RIGHT.

RECYCLE OFTEN:

- Metal Cans:** Steel and aluminum cans, vegetable, fruit & tuna cans.
- Plastic Bottles & Containers:**
- Paper:** News papers, non-commercial office paper, newspapers, magazines.
- Paper, Cardboard, Dairy & Juice Containers:**
- Flattened Cardboard & Paperboard:**
- Glass Bottles & Jars:**

RECYCLE RIGHT: Things you can do to ensure quality material is recycled:

- Items that should **not** be included in your recycling cart:
 - Food waste
 - Polystyrene cups or containers
 - Plastic bags and film
 - Needles and syringes

TRASH COLLECTION
Your cart with a Black Lid is for Trash Collection. Trash guidelines:

- Trash is household waste that cannot be recycled.
- Cart weight is not to exceed 200 lbs.
- Material should be loosely packed to empty easy (NO paint, batteries, CFL bulbs, oil, electronics or needles)

ADDITIONAL SERVICES
Waste Management provides additional, value-added services in the City of Santa Ana upon request. These services include:

- Septic Pumping
- Portable Toilets
- Propane Service

To find out more about these additional services, contact (714) 558-7761.

ADDITIONAL INFORMATION
Waste Management's website wm.com contains additional information about the following:

- Bulky Item Collection
- Extra Carts
- Billing and Payment Options

RESIDENTIAL HAZARDOUS WASTE
Residential Hazardous Waste, such as household cleaners, paint, fluorescent lightbulbs, motor oil and electronic waste is harmful to the environment and should not be disposed of in your curbside carts.

THINK GREEN.

Sample Welcome Letter

A Comprehensive Service Guide

Immediately following the award of the Contract, we will begin to develop a comprehensive residential guide to services which will be ready for County review by 3rd Quarter of 2021. By January 1, 2022, we will direct mail each SFD customer a comprehensive service guide that highlights what material goes into each container, recycling guides, HHW disposal information, the bulky item collection program, holiday schedule, Customer Service information, and information on how to access local resources to learn about upcoming events through the Waste Management local website. The service guide will also include information on State-mandated programs and what each customer needs to do to comply. New customers throughout the term of the Contract will also receive a welcome packet upon signing up for services with Waste Management.

What Goes Where

Recycling Cart



- Paper**
 - Newspaper
 - Paper
 - Cardboard
 - Paper Envelopes
 - Junk Mail
 - Magazines/Catalogs
 - Phone Books
 - Paper Bags
 - Non-Metallic Wrapping Paper
 - Cardboard
- Metal and Glass**
 - Aluminum Cans
 - Empty Aerosol Cans
 - Tin Cans (Canned Vegetables and Soup)
 - Steel Cans
 - Glass Bottles (Wine, Liquor, Juice)
 - Glass Food Jars (Condiments)
- Plastics**
 - Plastic Bottles (Water, Juice, Soda)
 - Plastic Jugs (Milk and Juice)
 - Plastic Jars (Condiments)

Make sure recyclables are loose, clean, and dry before placing in the recycling bin!



Green Waste Cart



- Acceptable items**
 - Grass
 - Leaves/ Tree Branches
 - Sticks/Brush
 - Plants/Weeds
 - Garden Trimmings
 - Sawdust
- No animal waste, soil, rocks, paper, or plastic.**



Do not place needles, chemicals, paint, fluorescent light bulbs, propane tanks, full or partially full aerosol containers, batteries and electronics, and/or construction debris inside any of your containers. Please refer to the Household Hazardous Waste and Other Disposal Options on the next page for more information on how to properly dispose of these items.

THINK GREEN!

Do Not Include Plastic Bags or Film

Do not place bagged recyclables or plastic film in your recycling bin as these materials will be deemed as contamination. Plastic bags and film tangle equipment at recycling facilities and contaminate recycling loads. This poses a safety risk to workers and reduces the chances of the item being recycled. If you collect your recyclables in a bag, empty them directly into your cart and reuse the bag. Learn where you can recycle plastic bags and film at plasticfilmrecycling.org.



Avoid Recycling Contamination

Have you ever heard the phrase, "one bad apple spoils the bunch?" The same is true for recycling, where any item that is not recyclable can potentially spoil an entire batch of otherwise good material. Please do not dispose of any trash, furniture, bulky items, food waste, green waste, plastic liners/film, Styrofoam, clothing or textiles, propane tanks, electronic items, or any non-recyclable material into the recycling container as this will be considered contamination. If your container is contaminated, you may be assessed a contamination charge. If your container is excessively contaminated, your container may not be able to be serviced by the recycling truck and it may have to be serviced as trash which will result in an additional charge. Visit wm.com/recycle-right for 24/7 access to recycling education and resources, or contact your local Mission Viejo Recycling Coordinator at MVRecycling@wm.com for further education materials and recycling support.

Waste Management thanks you for your dedication to recycling right and complying with state recycling mandates.

Trash Cart



The trash cart is for household waste that cannot be recycled. Carts must not be overfilled, and lids should be able to close. Material should be loosely packed so the carts will empty easily.

- Polystyrene Foam (Styrofoam Containers and Packaging)
- Non-Recyclable Plastics
- Plastic Liners/Film
- Food/Grease-Soiled Pizza Boxes
- Paper Towels/Napkins/Tissues
- Paper Plates
- Plastic Utensils
- Soiled Paper Cups
- Wax-Coated Paper Cups
- Pet Waste/Diapers
- Garden Hoses
- Non-Donatable Clothing, Bedding, and Textiles



Community Meetings

Waste Management will hold a total of two community meetings in July 2021 and bi-weekly meetings starting December 2021 through January 2022. These meetings will be held virtually, and COVID safe, to introduce customers to new service offerings and review key transition information. These workshops will be led by a designated Waste Management Recycling Coordinator and they will cover state mandates, what should and should not be placed into each container and any other program changes in the new Contract including upcoming SB 1383. Each meeting will have an open question and answer session at the end. Informational meeting dates will be included in all pre-implementation press releases, residential mailings, and will be available on the local website.

Cart Labeling and Carts

Upon award of the Contract, Waste Management will immediately begin designing the label/stamp for SFD carts which will be compliant with CalRecycle’s guidelines for signage. This will be included with all SB 1383 compliant container replacements beginning January 1, 2022. SB 1383 compliant carts will be provided upon customer request for replacement throughout the life of the contract, with all carts being SB 1383 compliant by 2036.

Educational Materials

Waste Management will create an SB 1383-specific educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management’s technologies and processes for recycling organic waste, and what can and cannot be placed into the organics recycling cart. This flyer will be available to be reviewed by the County for modification and final approval. The intent is to have the flyers ready for print by January 2022 so that they may begin to be distributed at community events and workshops and inserted with the direct mailer that is initially sent out in time for the new organics program to commence on

January 1, 2022. It will also remain on the Waste Management local website for reference.

How-to-Video

Waste Management will coordinate with a videographer to produce service video tutorials that residents can easily access to learn how to use their Waste Management source-separated containers, including how to comply with SB 1383.

The video will illustrate how to source separate recyclables and organics waste while explaining what should and should not be placed in each container. It will also highlight some best management practices such as how to keep your organics container clean and how to reduce odor. This video is estimated to begin circulating in the 1st Quarter of 2022. Waste Management will link the videos



on County's local Waste Management website.

Media Outreach

Waste Management will collaborate with County staff to conduct outreach to local media sources. Press releases will be distributed throughout the Contract implementation to promote key implementation messages and dates, new service offerings, and community educational events.

Community Events

Waste Management prides itself on providing a comprehensive community service that focuses on investment within the community through event and organizational sponsorship, recycling education and compliance, and first-class customer service. As part of the education and outreach campaign, Waste Management will have the designated Recycling Coordinator at community events throughout the year. Each event will allow the Recycling Coordinator to distribute educational flyers and speak with members of the community to directly address any questions or concerns. Waste Management typically organizes booths through the event coordinator; however, Waste Management can also come prepared with our own equipment if needed.

School Outreach

As previously stated, Waste Management's approach is intensely local. Our team is involved by participating in community-sponsored events, hosting tours of our facilities for local organizations and residents and working closely with schools to integrate recycling education into their school curriculum. For all schools in the County Unincorporated that request educational presentations or assemblies, Waste

Management's designated Recycling Coordinator will work closely with school staff to coordinate a preferred time and date for the presentation. Regardless if Waste Management is the school's designated hauler, students will benefit from a Waste Management taught presentation as it is assumed that most students live within the County Unincorporated and they can use the recommended practices at home. Waste Management has performed various school presentations throughout Orange County, which have included "Touch-a-Truck" presentation, assemblies, morning announcements, school events, and compost class. Waste Management is also happy to work with school staff, administration, or environmental student organization groups to help kick-off school organics and recycling programs.





Multi-Family Dwelling (MFD) Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of MFD properties, including communications curtailed directly to the tenants and the property managers. Specialized public education resources and outreach efforts for MFD properties will include:

Welcome Letter, Service Guide, and Site Visits

By July 1st, we will mail each MFD property manager or property owner a notification to inform them of the upcoming Contract transition and provide them an overview of key implementation information, changes, and dates. This letter will also contain information about SB 1383, what the new organics recycling program is, when the organics program will commence, and how to successfully participate and sign up for the program. The letter will highlight the contact information of the designated Recycling Coordinator who will conduct a site visit and provide free technical assistance in reviewing collection services, State-mandated programs, and program enhancements to ensure compliance and readiness for the new Contract. The Recycling Coordinator will also help implement a recycling and food waste program at the property and assist with tenant education. This includes the distribution of MFD specific educational materials and service guides to tenants, as well as the in-home food waste pails. The Recycling Coordinator will also be available throughout the term of the Agreement and will work with property management and staff to ensure the MFD is compliant with state mandates.

"Great work trash driver loves his work and is very nice.."

Kelly J., Unincorporated
Rancho Santa Margarita

Included in our initial communications and educational outreach to all MFD property owners and managers will be information on our Multi-Family Bulky Item Collection program.

Educational Materials

Upon award of the Contract, Waste Management will design an educational flyer that describes and illustrates what SB 1383 is what can and cannot be placed into organics recycling carts. This tenant-focused flyer will be provided to all MFD property owners and managers for their tenants and will be distributed at hosted community events and workshops. This easy to use and access flyer is in addition to the MFD Service Guide. All materials distributed will also be posted to the Waste Management local website for easy and quick reference.

Media Outreach and Community Meetings

County of Orange Unincorporated Multi-Family Food Waste Recycling Program

Dear County Unincorporated Resident:
Waste Management invites you to enroll now! Our food waste recycling program makes it easy for you to turn your food waste into renewable energy. Learn more about how to participate in the program by following the steps below.

If you compost, you can participate in this too because we can accommodate many items that are not compostable! Your food waste will be used for the generation of clean, renewable green energy.

SO, HOW DOES THE PROGRAM WORK? IT'S EASY!

1. Simply line your kitchen food waste pail with a small plastic liner. (The facility can accept any plastic bag. Reuse a bread, tortilla, or packaging bag. Paper bags are compostable and cannot be used to collect food waste).
2. Scrape your food waste in the kitchen food waste pail.
3. When the pail is full, securely tie the food waste liner and place it directly inside your green waste cart. **NOTE: Unbagged food waste cannot be collected.**

TIPS FOR MAKING THE MOST OUT OF YOUR FOOD WASTE RECYCLING PROGRAM

- If you are unsure if a certain food scrap can be recycled, it is better to throw it out with the regular garbage than risk contamination.
- Periodically wash kitchen pail out to reduce odors. Odor reducers such as Orange Odor Eliminator or baking soda can help reduce food odor and adds a fresh scent to your home.
- While Waste Management drivers and employees can assist with "quality control" of your outside containers, it is important for you to segregate your materials properly. (See back page sheet for segregation instructions)

Waste Management Customer Service
 CALL: 714-558-7761
 EMAIL: cslosangeles@wm.com
 VISIT: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

Turn Your Food Waste into Renewable Energy!

Our Multi-Family Food Waste Program is as Easy As 1-2-3!

1. Put food scraps in a bag
2. Tie the bag
3. Put the bag of food inside this container

You Can Use Any Plastic Bag
 Reuse a bread, tortilla, or packaging bag, biodegradable or decomposable.

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

How Does The Process Work?
 After your organic waste is picked up from the curb, our drivers take it to our Transfer Station, where the food waste bags are separated from the yard waste. Then, the commercial and residential food waste is combined and brought to the CORE® facility, where we create a Bio-engineered Slurry. That Slurry is then used in the Carson Waste Water Treatment Plant's anaerobic digesters to generate renewable energy!

CORE® Process:
 1. Source-Separated Organics
 2. CORE®
 3. Engineered Slurry Transport
 4. Wastewater Treatment Plant Anaerobic Digester
 5. Renewable Energy

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

Like our SFD customers, MFD tenants and staff will also be invited to the community meetings and have access to the media outreach and videos previously described.

Commercial Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of commercial properties and ensure complete compliance with AB 341, AB 1826 and SB 1383. Customized public education resources and outreach efforts for commercial properties will include:

Welcome Letter

By July 1st, 2021, we will mail each commercial customer a notification to inform them of the upcoming Contract transition. This letter will contain an overview of key implementation information and the dates of the town halls, where they can join Waste Management to learn more information and ask questions. At this time, we will also direct customers to our website and provide the contact details of our dedicated Recycling Coordinator for free technical assistance.

A Comprehensive Service Guide

Immediately following the award of the contract, we will begin to develop a new comprehensive commercial service guide which will be ready for County review by 4th Quarter of 2021. By the 1st Quarter of 2022, we will mail each commercial customer a service guide that contains an overview of: collection and bulk services; acceptable materials for each waste stream; recycling guides; holiday schedules; Customer Service information. and information on how to access local resources and contact the County of Orange-dedicated Recycling Coordinator. The welcome packet will also include information on State- mandated programs such as AB 341, AB 1826, and SB 1383 and what businesses need to do to comply.

Free Recycling Assistance

The City of Mission Viejo and Waste Management are proud to offer businesses free technical assistance and educational materials for recycling and organic recycling services to help ensure your business is compliant with State mandates.

Contact your local Waste Management Mission Viejo Recycling Coordinator at MVR Recycling@wm.com for free assistance with setting up a successful recycling program for your business. Your Recycling Coordinator can provide complimentary education and training materials for staff and assist with right-sizing your services to help you maximize diversion results and cost savings on your waste collection bill.



Recycling and Diversion Programs

Participate in the following recycling and diversion programs to reduce your trash.

Universal and Electronic Waste

Universal and electronic waste products are products that are flammable, corrosive, reactive, or toxic. These products can be dangerous to the public and the environment.

This waste must be disposed of properly, and it is illegal to dispose of hazardous, universal, or electronic waste in your Waste Management containers.

Please visit oclandfills.com/hazardous and click the link for "Business Hazardous Waste Referrals" for safe disposal options near you. For a universal waste collection quote from Waste Management, please contact our Customer Service and they will direct your request to a universal waste specialist.



Assembly Bill 341

California's Mandatory Commercial Recycling Law

On July 1, 2012, Assembly Bill 341 (AB 341) became effective in the State of California. This law requires multi-family complexes with five units or more and businesses that generate at least four cubic yards of solid waste per week to have a recycling program in place. Waste Management is pleased to provide commercial recycling services that can help your business comply with the State Assembly Bill 341.

To sign up for recycling services, contact Waste Management at (949) 642-1191 or Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. The local Recycling Coordinator can provide free technical assistance with setting up a recycling program.

Please do not hesitate to contact your local Waste Management Recycling Coordinator if any questions regarding this mandate, or for more information, visit calrecycle.ca.gov/recycle/commercial. Waste Management will provide all the materials and resources needed to start a successful program!



Assembly Bill 1826

California's Mandatory Commercial Organics Recycling Law

On September 28, 2014, Assembly Bill 1826 (AB 1826) became effective in the State of California. This law requires businesses and multi-family properties to recycle their organic materials, depending on the amount of waste they generate per week.

As part of California's recycling and greenhouse gas (GHG) emissions target, businesses are required to divert landscaping waste, food scraps and foodsoiled paper, while multi-family buildings with five (5) units or more are required to collect and recycle landscape waste only. These organic materials account for nearly one-third of the approximately 30 million tons of waste destined for California's landfills each year.

Diverting organics from landfills reduces landfill GHG emissions and produces sustainable products that contribute to soil health, plant nutrition, water conservation and carbon sequestration. Waste Management is pleased to provide commercial organics recycling services that can help your business comply with State Assembly Bill 1826.

Visit calrecycle.ca.gov/Recycle/Commercial/Organics or contact Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. For more information about this mandate, The local Recycling Coordinator can provide free assistance with setting up an organics program and provide free training and education needed for a successful program!

Holiday Tree Recycling Drop-Off

Annually, Waste Management will collect and recycle holiday trees for the first three weeks following December 25th.

Businesses are welcome to bring their office tree to a Waste Management holiday tree recycling dumpster which will be set up to three (3) designated drop-off locations throughout the City each year.

Please remove all decorations including tinsel, lights, ornaments, and tree stands. Please note, frosted trees will be collected but cannot be recycled.

Plastic/faux trees cannot be accepted.

Visit cityofmissionviejo.org/green or business.wm.com/mission-viejo for drop-off location details.



Bottle and Can Recycle Centers

Recycling bottles and cans makes cents!

You can redeem empty California Redemption Value (CRV) beverage containers at the buy-back centers listed below in Mission Viejo.

Visit www.2.calrecycle.ca.gov/BevContainer/RecyclingCenters/ for additional nearby locations.

Next Generation Recycling
27771 Center Dr., Mission Viejo
(714) 951-5004

Pance Recycling
La Paz Center
25104 Marguerite Parkway, Mission Viejo
(714) 794-7542



THINK GREEN!



Site Visits and Technical Assistance

Every commercial customer is eligible for free technical assistance, educational tools, and right-sizing via our Recycling Coordinator. This service is intended to help maximize the effectiveness of customer's recycling programs and also ensure that their services are set up for success. During a scheduled site visit, Recycling Coordinator confirm customer contact information and that services match the data we have on file. They will also provide right-sizing recommendations and offer education and training materials for staff and custodians to ensure compliance with state mandates. This information will be provided in the initial Welcome Letter and Service Guide, as well as be available on the local website.

Key Implementation Tasks and Timeline

For further information regarding planned implementation specifics, please see the following graphic which is intended to provide a visual timeline.

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
1	Franchise Award	City	Cityawards contract - April 27, 2021	Q2 2021	1	✓											
2	Internal Monthly WM Meetings	WM	WMdepartments begin planning all aspects of new Contract roll out	Q2 2021	Ongoing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Educationand Outreach Planning	WM/City	ContractLiaison andRecycling Coordinatorsto begin all design work in preparation for final submission to City	Q2 2021	8	✓	✓	✓	✓	✓	✓	✓	✓				
5	Educationand Outreach	WM	WelcomeLetters	Q3 2021	1			✓									
6	Commencement	WM/City	NewContract Begins	Q3 2021	120			✓									
7	Media Production	WM/City	Media Production to commence	Q3 2021	6			✓	✓	✓	✓	✓	✓				

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/ 21	06/ 21	07/ 21	08/ 21	09/ 21	10/ 21	11/ 21	12/ 21	01/ 22	02/ 22	03/ 22	07/ 32
8	Education and Outreach	WM	Community Town Halls	Q3 & Q4 2021/Q1 2022	2			✓					✓	✓			
9	Education and Outreach	WM	Multi-Family Outreach for State Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Commercial Outreach	WM	Commercial Outreach for Sate Mandated Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Education and Outreach	WM	Media advertisements and informational videos	Q4 2021 and Q1 2022	4							✓	✓	✓	✓		
12	Education and Outreach	WM	Service Guides	Q1 2022	1								✓				
13	Cart Delivery	WM	Provide New Carts Including SB 1383 Labels	Ongoing	Q1 2022									✓	✓	✓	✓

APPENDIX 5

OUTREACH AND EDUCATION PLAN

OUTREACH AND EDUCATION PLAN

A Partner to Your Community

Proposer shall provide an Outreach and Education Plan which satisfies all requirements of AB 939, AB 341, AB 1826, and SB 1383. This plan shall detail all planned tasks, procedures and schedule to ensure the County's compliance with AB 341, AB 1826, and SB 1383.

Waste Management understands that in today's society, people rely on various forms of communication to get the most up to date information. This is why we have many different methods of connecting with our customers which all share a common goal - to provide clear, concise, and relevant service and educational information. Waste Management wholly intends to achieve full compliance with AB 341, AB 1826, and SB 1383 including all requirements as per the Draft Franchise Agreement throughout the life of the Contract. To achieve this mission, Waste Management understands that a comprehensive education and outreach campaign is required early on to attain the desired recycling behavior and knowledge base among County of Orange Unincorporated residents and businesses.

The following pages will discuss in detail our AB 341, AB 1826, and SB 1383 outreach plan which is designed to ensure continued compliance for the County Unincorporated. This plan will build on our implementation plan as mentioned in the previous section and also go into further description of the ongoing education outreach efforts and processes that will occur throughout the course of the Agreement.

Program	Customer Sector	Details
Dedicated Recycling Coordinator	Residential, Multi-family, Commercial	Upon award of the contract, Waste Management will work to designate a dedicated Recycling Coordinator to assist and carry out education and outreach for residential, multifamily, and commercial customers in the Unincorporated County areas. The Recycling Coordinator will also assist with County Unincorporated facility compliance, School District outreach and assemblies, as well as public events and townhall seminars. The dedicated Recycle Coordinator will be ready by Q1 2022 to assist with state mandated programs. Prior to beginning outreach in the County, the Recycling Coordinator will receive a comprehensive, multi-day educational training program that covers the state mandates, how to perform site visits, how to track compliance and outreach efforts, and explicit services and programs specific to UOC.
Recycling Reporting Software	Residential, Multi-family, Commercial	To further improve the submittal of accurate and organized reports, Waste Management proposes the implementation of a recycling reporting software for the managing, tracking and scheduling of all compliance and outreach communications and activities. This includes contamination monitoring and the tracking of internal programs, including edible food waste recovery. More details of this program are highlighted in the following pages.
Comprehensive Service Guides	Residential, Multi-family, Commercial	Waste Management's Comprehensive Service Guide will be available in print and electronic form for each customer type and will include Waste Management's collection procedure summary and services. This includes but is not limited to how-to's for container collection, information on the bulk program, HHW disposal information, holiday collection schedules, recycling/composting guidelines, waste prevention tips, and Customer Service contact information. In addition, these packets will include information on pertinent laws to the customer type such as AB 341, AB 1826, and SB 1383. As part of the implementation plan, one Welcome Packet will be mailed to each customer in January 2022. In addition, these packets will also be annually mailed to all customer types each year. They will also always remain online throughout the life of the Contract for reference.

Program	Customer Sector	Details
Community Workshops	Residential, Multi-family, Commercial	The Waste Management Recycling Coordinator will host community workshops to discuss recycling programs and services and also offer an opportunity for customers to have a live Q&A. These workshops will cover state mandates, recycling programs, and key Waste Management services and information. The workshops will be bi-weekly in July 2021, and again in December 2021 - January 2022.
Educational Flyers	Residential, Multi-family, Commercial	Waste Management currently has multiple recycling flyers, food waste recycling flyers, and informational flyers that touch on current state mandates. To further add to our library of resources, Waste Management will create new and updated educational flyers, which will include SB 1383. These flyers will provide meaningful information, graphics, and details on how to participate and comply with state mandates and recycling programs. It will include information about edible food recovery and donation. This information will be distributed annually to customers, as well as be available online for each customer type throughout the life of the Contract.
Transcreated materials	Residential, Multi-family, Commercial	Waste Management is a leader in providing culturally appropriate recycling education. We transcreate educational materials by delving into a culture to find relevant products and language. Collection guidelines and educational materials can be translated into various languages upon request.
Edible Food Recovery and Donation	Commercial	Waste Management has a strong partnership with a local food recovery and recycling specialist nonprofit called Waste Not OC. As part of the upcoming SB 1383 requirements, jurisdictions are required to establish and educate constituents about food recovery in order to help achieve the state-wide goal of 20 percent edible food recovery. To assist the County in this feat, Waste Management will create customized educational materials that highlight how and where the County of Orange Unincorporated community can participate in edible food recovery and donation. Waste Management will also work with Waste Not OC and other local nonprofits and businesses to identify opportunities for edible food recovery.
How-to Videos	Residential, Multi-family, Commercial	Waste Management will produce how-to videos in effort to educate customers on how to recycle right and participate in the organics recycling program. Waste Management will coordinate with a videographer upon award of the contract so that the video is ready to circulate by Q1 2022.
AB 341 and AB 1826 Compliance	Multi-family, Commercial	As part of an annual program, the Waste Management Recycling Coordinator will visit each non-compliant business to provide free technical assistance to setup and maintain a successful diversion program. The Recycling Coordinator will work with each non-compliant commercial and multifamily properties to provide education and training for recycling and food waste recycling programs, and also document internal programs, including edible food donation. More details of this program will be discussed in the following pages.
SB 1383 Compliance	Residential	Waste Management's residential SB 1383 education and outreach plan includes welcome letters, service guides, educational flyers and videos, and kitchen food waste pails which will be distributed to SFD customers upon implementation. Educational materials will be available throughout the life of the Contract, in addition to the Recycling Coordinator who will also host community workshops for those who wish to learn more and ask questions about the program. In addition to all that has been mentioned thus far, Waste Management has a detailed contamination monitoring plan via our waste characterization audits coupled with our SMART Truck sm technology. Residential routes that are identified to have unacceptable levels of contamination will receive additional education and outreach. More details of this program will be discussed in the following pages.

Program	Customer Sector	Details
SB 1383 Compliance	Multi-family, Commercial	Waste Management's multifamily and commercial SB 1383 education and outreach plan is an extension of what was previously described above and throughout this proposal thus far. For multi-family/commercial routes that are identified to have unacceptable levels of contamination, these customers will receive additional educational materials and site visits to ensure maximum efforts are exercised in achieving compliance. Waste Management will work directly with business owners and property managers to confirm they are enrolled in the appropriate levels of recycling and food waste recycling service, and that their employees, staff and tenants are also well trained and educated on the program. More details of this program will be discussed in the following pages.
SB 1383 Route Audits	Residential, Multi-family, Commercial	Waste Management will perform route audits for residential and commercial routes, as currently allowed by CalRecycle to monitor contamination. Further details of this process will be described in the following pages.
Website and Social Media	Residential, Multi-family, Commercial	Waste Management uses digital and social media education to inform customers about our services, recycling and food waste recycling programs, and community events. Our local UOC website, home.wm.com/orange-county , is available 24/7 and has the most up-to-date information on services, events and programs. The website will contain a plethora of information in regard to AB 341, AB 1826, and SB 1383, as well as our program services and tips for recycling right. Waste Management will work with UOC staff and our Southern California Communications Team to manage our social media posts and website updates.
Event Education	Residential, Multi-family, Commercial	Waste Management's dedicated Recycling Coordinator will host a recycling and food waste recycling informational booth at community events each year. The Recycling Coordinator will provide educational materials to those who attend and also work with event organizers to provide technical assistance for a zero-waste event.
School Outreach	Commercial: Schools	Waste Management works with schools and environmental clubs to educate students and improve or implement recycling and food waste recycling programs. Activities include lunchtime waste audits, staff and green team trainings and touch-a-truck presentations. This is an ongoing outreach effort that Waste Management offers continuously to schools and/or educational organizations that are interested.

Commercial and Multi-Family Compliance Outreach

The Waste Management Recycling Coordinator will continue to collaborate with the County on education, right-sizing, and the implementation of recycling and organics programs. The Recycling Coordinator will be able to conduct site visits and perform waste assessments to determine customers' collection frequency needs. In addition, the Recycling Coordinator will be able to consult with businesses and coordinate the delivery of the appropriate number and size of containers.

Following is the standardized approach that will be taken for preparing a recycling and food waste recycling diversion plan for each business:

Generator Identification

Each year, the Waste Management's Recycling Coordinator will assist in identifying the County's AB 341 and AB 1826 generators. The Recycling Coordinator will cross-reference previous self-reporting forms and site visit notes to identify customers with internal programs.

Compliance Notification

Once generators are identified, the Recycling Coordinator will work to identify multi-family and commercial customer's AB 341 and AB 1826 compliance status. Upon completion of this task, the Recycling Coordinator will assist in the notification and tracking of customer responses.

Annually, all commercial customers will receive a bill insert that provides information that explains how to comply with State/local mandates such as AB 341, AB 1826, and SB 1383. This flyer will also include information on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers. The County Unincorporated will have the full discretion to alter the flyer as needed and place the County Seal on the letterhead.

Customer Responses

Annually, each non-compliant multi-family and commercial customer under the AB 341, AB 1826 and SB 1383 generation threshold will be notified and contacted by the Recycling Coordinator who will notify them of the associated state recycling and diversion mandates. For noncompliant customers who respond, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit and food waste recycling training. For customers claiming they have an internal program, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further training or education is needed.

Site Visits

On the day of the site visit, the Recycling Coordinator will perform an audit of the customer's waste stream to estimate solid waste, recyclable material, and organics materials generated by the customer. The Recycling Coordinator will also identify locations throughout the property where recyclable and organic materials are generated to further assess the volume produced onsite. For noncompliant customers, the Recycling Coordinator can use the waste characterization summary to recommend service levels and frequencies and provide the associated costs and alternative options if needed. The Recycling Coordinator will be able to refer to the customer's information and rate sheets and propose a right-sized recycling and/or food waste recycling program. If the customer accepts the proposed services, the Recycling Coordinator will organize with Waste Management's Operations team to adjust the account and organize delivery of the recycling and/or organics container.

If a customer has an internal or back-hauling program, the Recycling Coordinator will document and verify that the program is comprehensive and achieves full compliance. Additionally, the Recycling Coordinator can input outreach notes and customer interactions in correspondence with each account and during the site visit.

Training

The Recycling Coordinator will perform recycling and food waste recycling trainings for all non-compliant commercial and multi-family customers to ensure a sustainable and successful program. This training typically does not take more than 20 minutes and it allows for property managers and staff to receive hands-on information about State and/or local mandates, learn about Waste Management's recycling and/or organics program, understand best practices for source separating materials, and ask questions directly to the Recycling Coordinator and/or the UOC's third-party consultant.

Edible Food Recovery

For Tier 1 and Tier 2 customers, or for those who could benefit from a food recovery program, the Recycling Coordinator will educate and assist customers with getting in contact with food recovery organizations within the region. The Recycling Coordinator will maintain a list of local contacts for food donation programs in hopes of supporting the statewide goal of achieving a 20% increase in edible food recovery by 2025.

Additional Resources

All customers will have access to the Waste Management local website, which will showcase information specifically tailored to commercial and multi-family customers. It will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated Recycling Coordinator. The website will also have a link to our informative how-to videos which can be used in training sessions and referred to throughout the life of the Contract.

Residential Compliance Outreach

In addition to the education and outreach efforts as described in the previous section and in the chart from the previous pages, Waste Management will continue SB 1383 residential outreach annually via a direct mailer and residential service guide. This mailer will provide educational information about SB 1383 and meaningful graphics which show how to participate in the program. In addition, the Waste Management Recycling Coordinator will continue to host community workshops to provide program information, highlight sustainable at-home best practices, and answer questions. Lastly, should an SB 1383 route audit result in unacceptable levels of contamination, Waste Management will assist in performing additional education and outreach to the specified routes. This additional, target outreach will include additional flyers and educational materials and door-to-door neighborhood canvassing.

Compliance Monitoring**AB 341 and AB 1826 Monitoring**

Waste Management has fully adapted to the UOC's desired monitoring approach, which demands the least inconvenience and impact on residents and businesses. Waste Management will complete all specified education and outreach activities to increase participation in diversion programs and maintain compliance with CalRecycle. As previously stated, Waste Management will annually mail all commercial and multi-family customers an informational flyer that explains how to comply with state/local mandates pertinent to AB 341, AB 1826, and SB 1383. This flyer will also provide details on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local website page for additional resources and information.

Waste Management will also conduct annual site visits for each non-compliant commercial customer under the AB 341 and/or AB 1826 generation threshold. This site visit will serve to confirm continued 100 percent participation in recycling and organics programs, and/or to allow for the Recycling Coordinator to provide free technical assistance and education to commercial customers who have yet to obtain full compliance. If a customer should need additional training, or lack the requirements to obtain full compliance, Waste Management will conduct the same approach that is mentioned previously in the commercial and multi-family outreach section.

SB 1383 Monitoring

Waste Management will perform hauler route reviews for residential and multi-family/commercial routes, as currently allowed by CalRecycle to monitor contamination. We understand that CalRecycle may modify the requirements for measuring contamination and accordingly, the methods may need to be altered.

Unless otherwise directed by CalRecycle and/or the County, we will utilize the hauler route review methodology in accordance with Section 5.6.A (Option 2) and Appendix 6.E.3 (Option 1). Waste Management will conduct these reviews beginning in 2022.

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

**Waste Management Collection and Recycling, Inc.
dba Waste Management of Orange County**

Franchise Area 8

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS..... 5

ARTICLE 1: DEFINITIONS; INTERPRETATION7

 SECTION 1.1. DEFINITIONS 7

 SECTION 1.2. INTERPRETATION..... 22

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE..... 24

 SECTION 2.1. REPRESENTATIONS AND WARRANTIES 24

ARTICLE 3: GRANT OF FRANCHISE..... 25

 SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS 25

 SECTION 3.2. TERM OF FRANCHISE AGREEMENT 26

 SECTION 3.3. FRANCHISE FEE 26

 SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE 26

 SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE..... 27

 SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES 27

ARTICLE 4: COLLECTION SERVICES 29

 SECTION 4.1. GENERAL SERVICES 29

 SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS 32

 SECTION 4.3. CONTAINERS 33

 SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION 34

 SECTION 4.5. COLLECTION LOCATIONS 36

 SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS
 COLLECTION 36

 SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION 37

 SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION 37

 SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION 37

 SECTION 4.10. OTHER WASTES 37

 SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE 38

 SECTION 4.12. SELF-HAUL OPT-OUT 38

 SECTION 4.13. COUNTY DESIGNATION OF FACILITIES..... 38

ARTICLE 5: PROCESSING AND TRANSFER..... 39

 SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS 39

 SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES 39

 SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES 39

 SECTION 5.4. FRANCHISEE’S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS 39

 SECTION 5.5. TITLE TO RECOVERED MATERIALS 40

 SECTION 5.6. CONTAMINATION MONITORING PROCEDURES 40

 SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER 44

ARTICLE 6: SOLID WASTE DISPOSAL..... 46

 SECTION 6.1. SOLID WASTE DISPOSAL 46

ARTICLE 7: COMPLIANCE 48

 SECTION 7.1. THE FRANCHISEE’S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN 48

 SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS..... 48

 SECTION 7.3. DIVERSION FEES 48

 SECTION 7.4. OUTREACH AND EDUCATION PLAN 49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM..... 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 55

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES..... 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY..... 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS..... 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW..... 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS..... 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS..... 60

SECTION 9.3. LIQUIDATED DAMAGES..... 61

SECTION 9.4. ACCOUNTING AND RECORDS..... 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS..... 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES..... 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS..... 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES..... 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES..... 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS..... 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY..... 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAPS OF FRANCHISE AREA86

APPENDIX 1-C 89

CONTAINER SPECIFICATIONS 89

APPENDIX 1-D 92

ACCEPTED MATERIALS92

APPENDIX 1-E94

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS 94

APPENDIX 2-A 108

RATES FOR RESIDENTIAL SERVICE 108

APPENDIX 2-B109

RATES FOR COMMERCIAL SERVICE 109

APPENDIX 2-C 111

RATES FOR OTHER SERVICES..... 111

APPENDIX 3-A 112

EXAMPLE RATE ADJUSTMENT CALCULATION 112

APPENDIX 3-B113

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION 113

APPENDIX 4 115

IMPLEMENTATION AND COMPLIANCE PLAN..... 115

APPENDIX 5 130

OUTREACH AND EDUCATION PLAN.....130

APPENDIX 6 136

RECORD KEEPING AND REPORTING 136

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 8 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016; and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 8; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the Tierra Verde Industries at 8065 Marine Way, Irvine, CA 92618, which is owned and operated by Tierra Verde Industries, or Centralized Organic Recycling Facility at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management that is an Organic Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the Waste Management Orange MRF at 2050 N. Glassell St., Orange, CA 92865, which is owned and operated by Waste Management, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the Waste Management Sunset Environmental at 16122 Construction Circle West, Irvine, CA 92606, which is owned and operated by Waste Management, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (WMOC) and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of

Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both.

Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 8, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 8, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 8 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 8, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a "Transfer"), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants' and attorneys' fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up; Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION.

Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D)

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D)

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials(including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray

Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

(A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and

compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR0000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low- Income Discount only applies to Single- Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low- Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

By: **Paul Albarian**  Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County
Counsel, ou,
email=Paul.Albarian@coco.ocgov.c
om, c=US
Date: 2021.05.11 12:46:47-07'00'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Maps of Franchise Area
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Other Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY



Franchise Area	Description
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

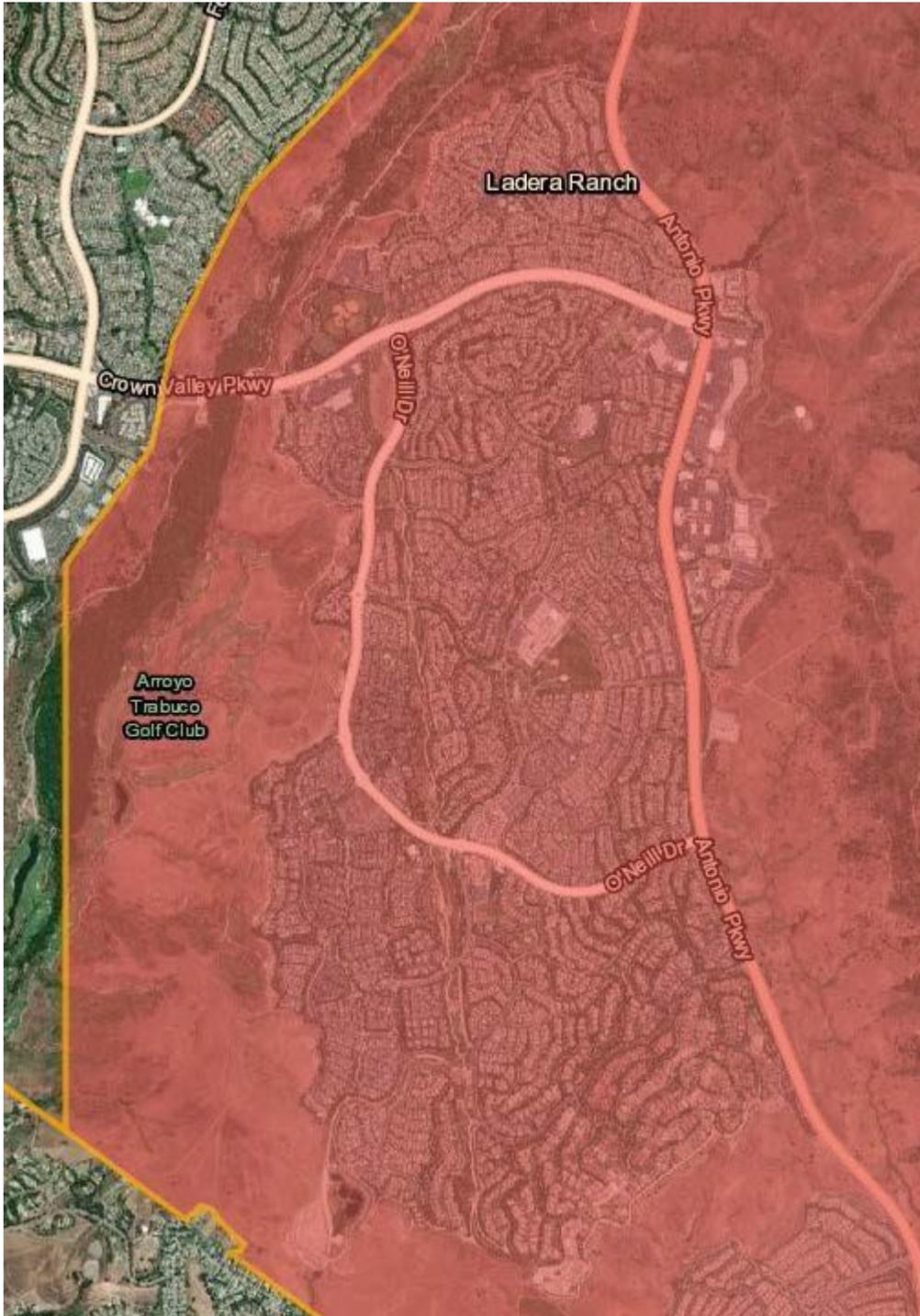
APPENDIX 1-B

MAPS OF COLLECTION AREAS

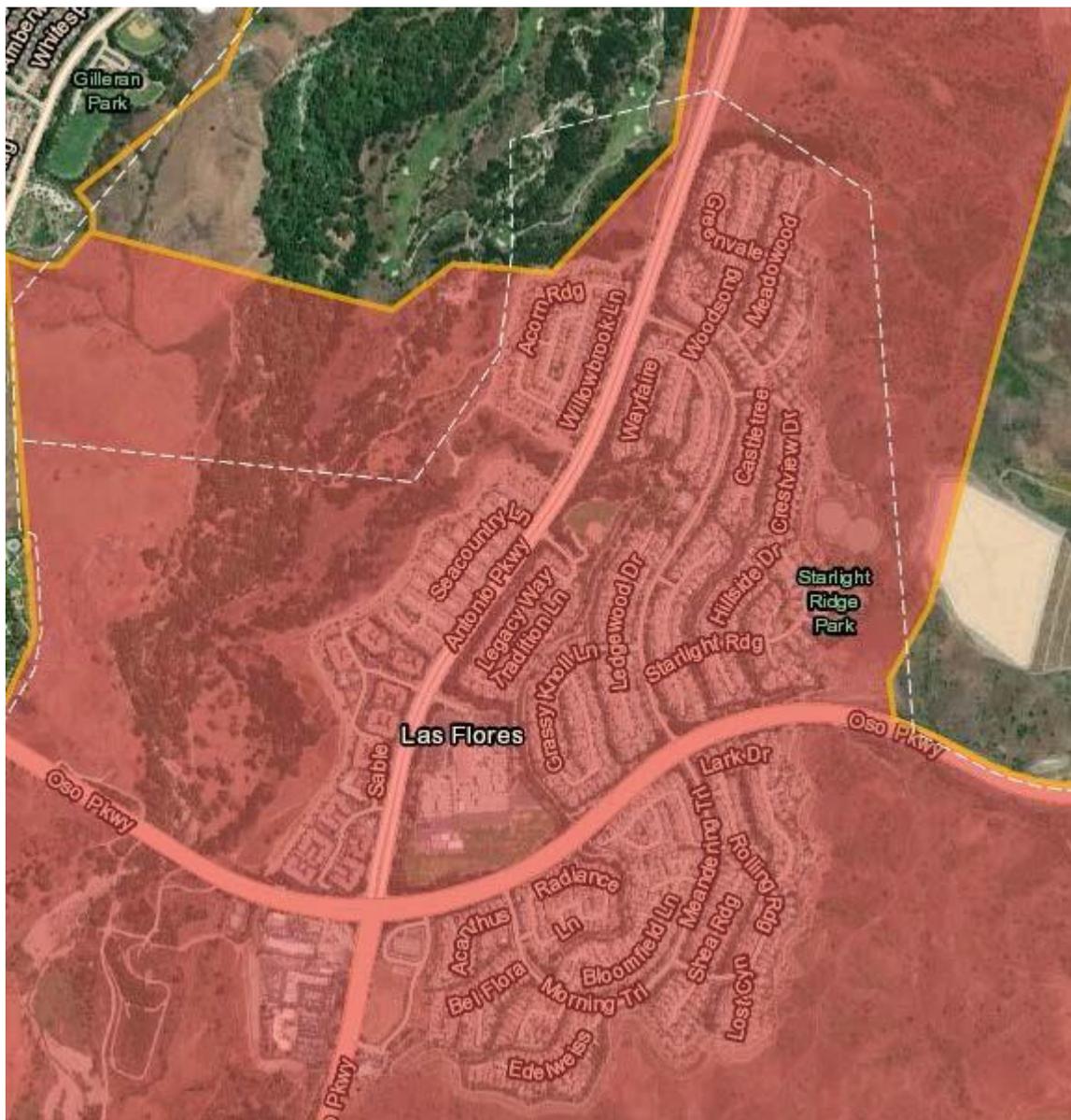
Coto De Caza/Wagon Wheel:



Ladera Ranch:



Las Flores:



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

35 GALLON EG

Capacity	35 Gallon
Model	35EG
Height	38.50"
Width	18.50"
Depth	24.10"
Load Rating	122.5 lbs.
Carts Per Stack	10 high/1,260 per truckload

**65 GALLON EG**

Capacity	65 Gallon
Model	65EG
Height	40.58"
Width	26.70"
Depth	28.11"
Load Rating	227.5 lbs.
Carts Per Stack	13 high/936 per truckload

**95 GALLON EG**

Capacity	95 Gallon
Model	95EG
Height	43.50"
Width	29.20"
Depth	33.30"
Load Rating	332.5 lbs.
Carts Per Stack	13 high/702 per truckload

Colors are available in all sizes.





**APPENDIX 1-D
ACCEPTED MATERIALS**

SINGLE STREAM RECYCLABLE MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Paper	
<ul style="list-style-type: none"> White paper, colored paper, envelopes, junk mail, soft cover books/manuals glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper 	<ul style="list-style-type: none"> Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hard cover books/manuals, Tyvek (non-tearing) envelopes, and non-paper bags
Cardboard	
<ul style="list-style-type: none"> Cardboard, Chipboard/boxboard, Milk/juice cartons, Egg cartons 	<ul style="list-style-type: none"> Waxed cardboard
Aluminum and Tin	
<ul style="list-style-type: none"> Empty aluminum cans, Empty aerosol cans Tin cans, Loose jar lids 	
Glass	
<ul style="list-style-type: none"> Glass including empty glass beverage containers, Empty glass food containers, all glass colors 	<ul style="list-style-type: none"> Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material
Plastic	
<ul style="list-style-type: none"> Empty PET bottles #1, HDPE bottles #2, Plastics #3, #4, #6 and #7, HDPE bottles #5 	<ul style="list-style-type: none"> Plastic liners (i.e. Cereal bags), Bubble wrap, Plastic film
Other	
	<ul style="list-style-type: none"> Wood furniture, Styrofoam, Solid Waste, Hazardous Waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste and small manufactured goods (e.g. purses, handbags and backpacks)

ORGANIC MATERIALS	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Source-Separated Food Waste	
<ul style="list-style-type: none"> All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silver Ware, play plates, cups, glasses, diapers, solid waste single stream recyclable materials, green waste materials, food processing liquids, hazardous waste, Kitty litter, pet waste, rocks, dirt Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Co-Collected Green Waste and Food Waste	
<ul style="list-style-type: none"> Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter, all food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and egg shells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, paper take out boxes and containers, and paper bags and cardboard 	<ul style="list-style-type: none"> Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Food Processing Liquids, Hazardous Waste Polystyrene plastic backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined wrap, kitty litter, pet waste, rocks, dirt, and tree trunks, stumps and branches greater than 6" in diameter Polystyrene, plastic backed paper, blue line paper or blue prints or any paper containing plastics, aluminum foil or foil lined food wrap
Source-Separated Manure	
<ul style="list-style-type: none"> Manure, wood shavings and stable bedding 	<ul style="list-style-type: none"> Trash, landscaping waste, recyclables or plastic liners/film

Refuse	
ACCEPTABLE MATERIALS	UNACCEPTABLE MATERIALS
Garbage	
<ul style="list-style-type: none"> All refuse and garbage such as plastic bags and film, diapers, pet waste, polystyrene foam, wax coated paper products, plastic utensils, dishware, ceramics, hardcover books, garden hoses, non-donatable clothing/textiles, non-recyclable plastics, and small manufactured goods (e.g. purses, handbags and backpacks) 	<ul style="list-style-type: none"> Items acceptable in the single stream recyclable and organic material list, as well as hazardous waste, electronic waste, construction debris and bulky items

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A.GENERAL REOUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Transfer Facilities

Transfer Facility		
	i. The name and address of the facility;	Waste Management Sunset Environmental 16122 Construction Circle West, Irvine, CA 92606
	ii. Owner	Sunset Environmental is solely owned and operated by Waste Management Collections and Recycling, Inc.
	iii. SWIS ID	30-AB-0336

Processing Facilities

MRF		
	i. The name and address of the facility;	Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Orange MRF is solely owned and operated by Waste Management, Inc.
	iii. SWIS ID	30-AB-0363

Organics (Source separated green waste with co-mingled food waste)		
	i. The name and address of the facility;	Tierra Verde Industries 8065 Marine Way, Irvine, CA 92618
	ii. Owner	Tierra Verde Industries
	iii. SWIS ID	30-AB-0403

Organics (Source separated commercial food waste)		
	i. The name and address of the facility;	Centralized Organic Recycling (CORE) Facility Located at Waste Management Orange MRF 2050 N Glassell St., Orange, CA 92865
	ii. Owner	Waste Management owns and operates this facility.
	iii. SWIS ID	30-AB-0363

DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D.F ACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee’s contracts. County, or its agent, will have the right to seek verification of Franchisee’s reported aggregate capacity through inspection of pertinent sections of Franchisee’s contracts with such entities to determine the duration of Franchisee’s commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee’s office and will not retain any copies of review material. Franchisee will fully cooperate with the County’s request and provide County and its agent(s) or access to Franchisee’s records.
- 2) Franchisee’s Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor’s guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee’s obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities.

Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that

will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE, to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH:

RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials,

SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S.PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U.SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.
2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

**V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS
(ORGANICS IN GRAY CONTAINER):**

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X.PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y.COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z.MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

WASTE MANAGEMENT
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 8

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 8
		Coto De Caza/Ladera Ranch/Las Flores
1	Basic Service - # of Accts (1)	\$ 20.50
2	Senior Discount - 10%	\$ 18.45
3	Extra Recycling Cart - # of Carts	\$ 7.00
4	Extra Organics Cart - # of Carts	\$ 10.00
5	Extra Waste Cart - # of Carts	\$ 10.00
6	Extra Bulky Item Pickup Above 3 per Year	\$ 35.00
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 15.00
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 8**

Monthly Rates*

Row	Service Level	Franchise Area 8
		Coto De Casa/Ladera Ranch/Las Flores
2 CY Refuse Bin		
1	1x/week	\$ 215.00
2	2x/week	\$ 414.00
3	3x/week	\$ 621.00
4	4x/week	\$ 828.00
5	5x/week	\$1,035.00
6	6x/week	\$1,242.00
7	Extra Pickup	\$ 85.00
3 CY Refuse Bin		
8	1x/week	\$ 245.00
9	2x/week	\$ 474.00
10	3x/week	\$ 711.00
11	4x/week	\$ 948.00
12	5x/week	\$1,185.00
13	6x/week	\$1,422.00
14	Extra Pickup	\$ 105.00
4 CY Refuse Bin		
15	1x/week	\$ 275.00
16	2x/week	\$ 534.00
17	3x/week	\$ 801.00
18	4x/week	\$1,068.00
19	5x/week	\$1,335.00
20	6x/week	\$1,602.00
21	Extra Pickup	\$ 125.00
Locked 3 CY Refuse Bin		
22	1x/week	\$ 290.00
23	2x/week	\$ 524.00
24	3x/week	\$ 766.00
25	4x/week	\$1,008.00
26	5x/week	\$1,250.00
27	6x/week	\$1,492.00
28	Extra Pickup	\$1,422.00
Locked 4 CY Refuse Bin		
29	1x/week	\$ 320.00
30	2x/week	\$ 584.00
31	3x/week	\$ 856.00
32	4x/week	\$1,128.00
33	5x/week	\$1,400.00
34	6x/week	\$1,672.00
35	Extra Pickup	\$ 85.00
2 CY Organics Bin		
36	1x/week	\$ 255.00
37	2x/week	\$ 494.00
38	3x/week	\$ 741.00
39	4x/week	\$ 988.00
40	5x/week	\$1,235.00
41	6x/week	\$1,482.00
42	Extra Pickup	\$ 125.00
Manure Collection		
43	Specify Container Size: 2 cubic yard	
44	1x/week	\$ 285.00
45	2x/week	\$ 554.00
46	3x/week	\$ 831.00
47	4x/week	\$1,108.00
48	5x/week	\$1,385.00
49	6x/week	\$1,662.00
50	Extra Pickup	\$ 115.00
51	Recycling Bin (all sizes): Recycling Bins & Extra Pickups at no additional charge	

**WASTE MANAGEMENT
MULTI-FAMILY AND COMMERCIAL CART RATES
AND SERVICE LEVELS
FRANCHISE AREA 8**

Monthly Customer Rates*

Row	Service Level	Franchise Area 8
		Coto De Caza/Ladera Ranch/Las Flores
	65-Gallon Organics Cart	
1	1x/week	\$ 102.00
2	2x/week	\$ 199.00
3	3x/week	\$ 299.00
	Any Size Refuse Cart	
4	1x/week	\$ 89.00
5	2x/week	\$ 174.00
6	3x/week	\$ 261.00
7	4x/week	\$ 348.00
8	5x/week	\$ 435.00
9	6x/week	\$ 522.00
	Any Size Recycling Cart	
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

WASTE MANAGEMENT
ROLL-OFF CONTAINER RATES
FRANCHISE SERVICE AREA 8

Customer Rates

Row	Service Level	Franchise Area 8
		Coto De Caza/Ladera Ranch/Las Flores
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 509.00
2	Over 40 CY Roll-Off	\$ 635.00
3	21-30 CY Compactor	\$ 635.00

WASTE MANAGEMENT
RATES FOR OTHER SERVICES
FRANCHISE AREA 8

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 8
		Coto De Caza/Ladera Ranch/Las Flores
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 110.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling
Annual Exclusive Franchise Fee Adjustment
Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
----------------	--------------

Franchise Fee					
Effective					
1-Jul-2020					
Base Rate		Average Change in Monthly CPI for Previous		Increase	
\$300,000.00	X	(2.42%)	=	\$7,267.88	
(A)				(B)	

Franchise Fee	<input type="text" value=""/>
Effective	
1-Jul-2021	
(A) + (B) =	\$307,267.88

Attachment K

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

							3.16%	2.88%	2.91%	3.09%	3.13%	2.87%
	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%						

Average of 12 previous months Year over Year
 2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

IMPLEMENTATION AND COMPLIANCE PLAN

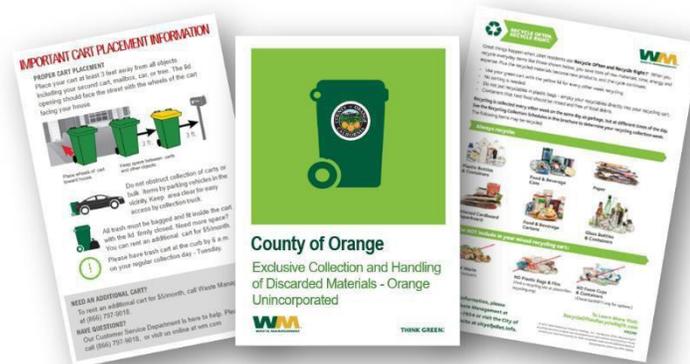
A Seamless Implementation with a Trusted Partner

Proposers should provide an implementation schedule that demonstrates that your company has the ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements. The plan should include detailed planned tasks, procedures and schedule to ensure the County's compliance with all applicable laws and regulations. The plan should include but not be limited to programs the proposer will implement in order to be in compliance with AB 341, AB 1826, SB 1383, and related regulations. Proposer shall identify which method they plan to use to achieve SB 1383 compliance (1 bin, 2 bin, 3 bin, 3+ bin, or Performance Based).

Transition Implementation

Our Commitment to the County – A Risk-Free Implementation

The County has relied on Waste Management as your local service provider decades. Throughout our partnership with UOC, we have shown our dedication to continuous improvement - better processes, more efficient procedures, and investments in technologies that enhance our collection capabilities and customer service.



Sample Images of Welcome Packets

Transitioning service providers would require rebuilding an already successful program from the ground up. With all service requirements already in place, our team is able to concentrate on delivering dependable

collection and enhancing your residents' experience from the moment the contract is awarded. Our team's experience in the County is unparalleled and we would provide the least disruption to customers during the transition to the new Agreement.

In addition to our already founded local team, Waste Management will be designating one dedicated Recycling Coordinator for the County of Orange Unincorporated to ensure a robust implementation plan is achieved and maintained.

The Recycling Coordinator will be ready by January 1, 2022 to ensure they are trained and involved in the SB 1383 implementation process. Together, the Recycle Coordinator, your local contract administrator, Hashem Shokair, and our local Operations team will be available to assist the County and its residents and businesses throughout the contract transition and program implementations.

The benefits for continuing to work with Waste Management are quantifiable and significant. We offer:

Established and reliable collection services.

We already have the vehicles, collection equipment, operations site, fueling station, processing facilities, account data, and systems in place to offer a risk- and disruption-free implementation.

Invaluable experience.

Our experienced drivers know every road and customer in your community, and our knowledgeable local staff is already well-versed in UOC contract terms and service offerings. Further, we leverage lessons learned to offer proven public education and outreach strategies for communicating available services, resources, and maximizing customer participation.

Existing relationships.

Over the years, Waste Management staff members have worked hard to become a trusted community partner. We have built meaningful relationships with County staff, your customers, and local groups and organizations. We will continue to collaborate with these partners to advance service offerings, problem solve, innovate, and support the vitality of the UOC community.

A commitment to continuous improvement.

We seek to continuously improve our services and offer the latest and greatest technologies and innovations in sustainability and integrated operational technology.



A little fan from Santa Ana surprised Driver Robin Saucedo with snacks and a bottle of ice-cold water during his weekly collection day. A great reminder that we're all in this together!

If Waste Management is selected as the service provider for the County's new Contract, we will manage the implementation with meticulous care. Below we have outlined our approach to the most critical components of the new Contract implementation, including equipment and resources, customer service, billing, and public education considerations.

Critical Collection Equipment and Resources in Place Today

Key to all successful new contract implementations is having the most basic collection equipment and resources in place, tested, and proven. We understand one of the County's top priorities is for their collection partner to deliver the base collection services - confirming customers have containers to put materials into and that material is collected on-time and in a professional and safe manner.

All of Waste Management's UOC collection equipment and resources are already in place, eliminating any opportunity for customer disruption associated with delays and equipment problems that are often associated with new contract implementations. Further, our local Operations Team has decades of experience managing current route schedules. This means that swaps of new containers will be seamless to the residents' normal routines.

Core Collection Equipment and Resources		
	Waste Management Competency	Benefits to the UOC Community
Drivers 	<p>Management employees have successfully completed rigorous safety and customer service training requirements and have years of experience already working UOC streets.</p>	<ul style="list-style-type: none"> • Safer more experienced drivers in your community. • Existing customer knowledge and personalized customer service. • No driver learning curve resulting in fewer missed pick-ups.
Trucks 	<p>Waste Management's fleet of collection vehicles is already in place with years of service ahead. All our vehicles are subject to daily preventive maintenance and safety inspections. Our fleet is maintained to the highest safety standards and is fully compliant with local and federal safety standards.</p>	<ul style="list-style-type: none"> • Trucks are guaranteed ready-to-roll on day one of the new Contract. • Reliable collection vehicles with fewer breakdowns resulting in on-time collections.
Containers 	<p>With Waste Management carts currently deployed in your community, existing equipment inventory knowledge allows for deliveries and swaps to be successfully conducted each day.</p>	<ul style="list-style-type: none"> • Minimized customer confusion associated with swapping out carts and containers. • Local yard guarantees timely and efficient cart delivery services.
Routes and Customer Data 	<p>No changes to current collection schedules will be associated with our transition. Waste Management collection routes were created with eRouteLogistics software and take into account local traffic patterns, truck capacity, and disposal locations.</p>	<ul style="list-style-type: none"> • Maximum route efficiency provides the greatest fiscal value for ratepayers. • Less wear and tear on city streets. • No change in collection schedules ensures the continuation of guaranteed service
Onboard Computing System (OCS) 	<p>Each collection truck that services UOC is already equipped with onboard tablets that display drivers' exact route, all scheduled collections, and relevant account notes such as container placement. The tablets include GPS technology that allows drivers to capture route data in real-time and note the status of each collection (i.e., collected or a service exception).</p>	<ul style="list-style-type: none"> • Customers can obtain a collection estimated time of arrival (ETA) through both our website and mobile app. • Collection statuses minimize the opportunity for missed collections. • Provides customer service reps with near-real-time field data to assist with customer inquiries.

Delivering an Exceptional Customer Service Experience

UOC residents have many options for how and when they interact with Waste Management. Whether via our mobile app, LiveChat, online at wm.com, or by phone, customers want an interaction that is fast, friendly, and convenient. Waste Management's dedicated Customer Service Team supports the County's customers by managing our phone, email, and online customer service functions and are ready to serve the County on day one of the new Contract.

These experienced customer service personnel are already accustomed to working with UOC staff and are familiar with residents and businesses and current Contract services and terms.

Further, the County can always count on reaching the local contract administrator, Hashem Shokair or your experienced designated Recycling Coordinator at any time on their mobile phones – day or night. Waste Management’s local staff are never more than a few minutes away from instant access to information and personalized customer service for not only UOC staff, but all residents and businesses of UOC.

Proven Customer Service Tools and Training Since accurate and clear communication is a cornerstone of our Contract implementation approach, we place significant effort, resources, and time preparing and training our customer service center employees. Training material customized to the County Unincorporateds’ collection services, programs, and rates has already been developed and is currently in-use.

Review and Update Informational Tools. Waste Management will review and update UOC-specific information, including all new program enhancements on our proprietary and already in use CRM application Green Pages. Green Pages is an online database that allows Waste Management Customer Service Representatives (CSRs) to pull up customer-specific service information, service offerings, and rates within a matter of seconds. Each time a mailing is sent out to residents, it is uploaded to Green Pages – allowing agents to reference and look at the same documents that the customer is viewing. Our CSRs use this tool during every call, ensuring that we provide customers with the most accurate service information.

Intensive, Small-Group Training. All CSRs handling County Unincorporated calls regularly receive training in small groups. Before implementation, CSRs will review service offerings specific to the County, with special emphasis placed on contract changes including new rates, programs, policies, and procedures. CSRs will also be provided with copies of all customer mailings distributed in your community.

Increased Staffing. Although it is anticipated that minimal impacts will be associated with a Waste Management new Contract implementation, there may be a call spike during the first couple of weeks of the new Contract due to distribution of service brochures and other customer outreach efforts. In addition, customers occasionally call to request duplicate copies of materials already sent or to confirm their collection schedule. It is critical to prepare for this spike in call volume with additional staffing. As with any new contract implementation, Waste Management’s state-of-the-art customer service center will make sure there is a pool of additional CSRs trained on County Unincorporated-specific issues to help us manage any increases to normal call volume.

Billing Preparation and Considerations. Already having accurate service, contact, and billing information means all aspects of our customers’ experience will go smoothly – from hassle-free pick-ups to accurate commercial invoicing. Our database is continuously updated and maintained. Our staff works diligently to verify account information during each customer interaction, and customers frequently provide updates to phone numbers or payment information themselves via their wm.com account.

If the County Unincorporated selects Waste Management for the new Contract, commercial customers will benefit from continued access to our hassle-free billing and payment options. This is especially valuable as a growing portion of Waste Management customers are accustomed to the convenience of managing their accounts online at wm.com. Likewise, many customers prefer electronic invoices. With any other service provider, customers will be required to start over – creating new online profiles, electing invoice preferences, and if auto-pay is available, resubmitting their payment information. Often, this will result in missed or late payments, causing inconvenience for many customers.

24/7 access to wm.com. Our team will build on the County Unincorporated-specific Waste Management webpage to include meaningful service information, photos, and resources that reflect the changes in the new Contract. Using Waste Management's local website, customers will easily find information about the upcoming Contract transition as well as service information, disposal resources, rates, and recycling resources. Online account management functionality allows customers to:

Initiate service or request additional services.

Schedule an empty and return (roll off customers only).

View pickup schedule and collection ETA.

Schedule an extra pickup or bulky item collection.

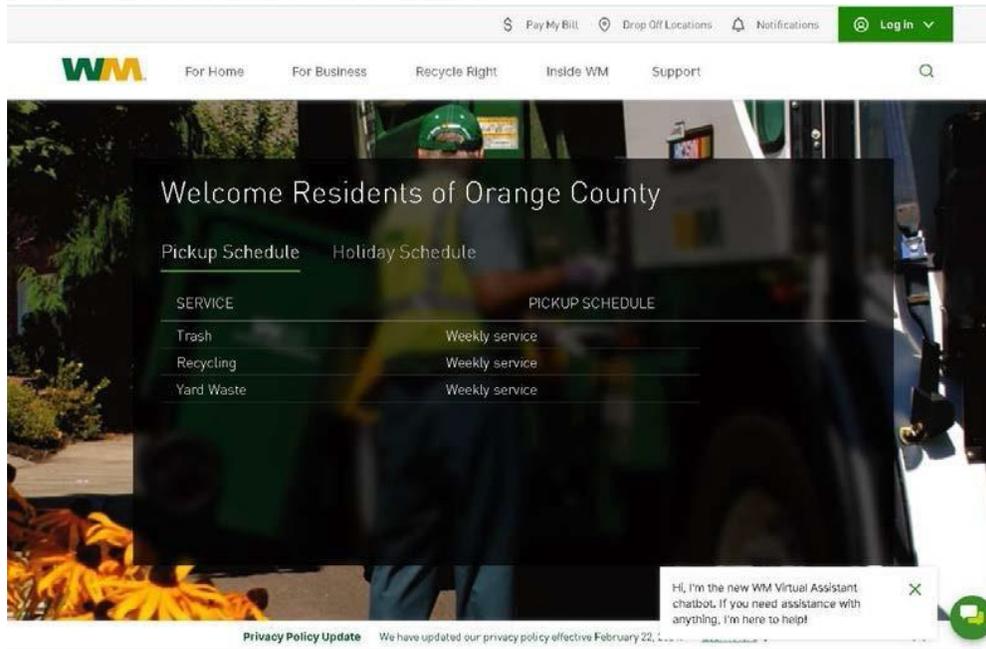
Request cart or container repair.

Edit account contact information.

Communicate with our Customer Service via email or digital chat.

For County Unincorporated Single-family Dwelling, Multifamily Dwelling, and Commercial customers specifically, the website will also contain information about pertinent State mandates such as AB 939, AB 341, AB 1826, and SB 1383 and what constituents need to know to comply. This website will be used to upload various information about the County's organics recycling program such as service guides, flyers, videos, community workshops dates, and more as described in the following sections. In addition, the website will have a Frequently Asked Questions (FAQs) page and a form that will allow customers to submit recycling questions directly to Waste Management's County Unincorporated-dedicated Recycling Coordinator. We will also work with County staff to place a link to the County website and provide information for the County's website, if desired.

Public Education and Outreach Efforts



With Waste Management, the County will not need to dedicate a large portion of public outreach efforts toward collection, customer service, or billing changes that typically go along with a new service provider. Instead, as part of the new Contract, we will focus on informing customers of all newly available services,

changes in California law, and maximizing their knowledge and participation in recycling, reuse, and waste prevention.

Details of Waste Management’s extensive education and implementation efforts are highlighted below for each customer type.

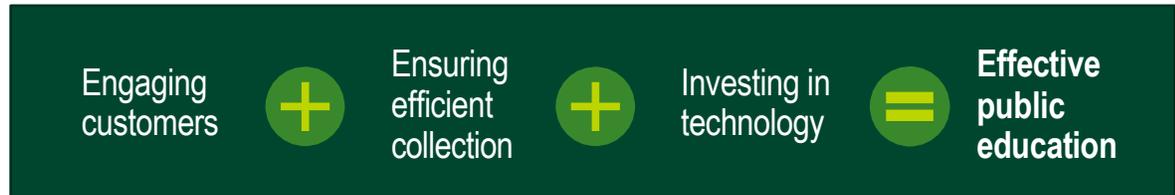
Single-Family Dwelling (SFD) Public Education and Outreach Activities

Welcome Letter

By July 1, 2022, we will mail each residential customer a notification to inform them of the new Contract with Waste Management. This letter will contain an overview of key implementation information and changes, and the dates of the town halls, where residents can join Waste Management to learn more information and ask questions. This letter will also contain information about Waste Management programs and offerings, including the bulky item collection program, how to successfully participate in the recycling program (i.e., Contaminants, Dos and Don’ts how to apply for the senior discount, how to contact Customer Service and access the website, and more..

“Please tell WM that my driver Felix, is so wonderful and nice, he does an amazing job, Felix needs to be recognized.”

E. Chumchal, Wellington Ave.



Below is a sample Welcome Letter that would be further customized for the County's approval.

WM WASTE MANAGEMENT

UNINCORPORATED ORANGE COUNTY Residential Service Information

Welcome to Waste Management!
Waste Management is proud to be your waste and recycling service provider. This guide will assist you in using your residential service.

To get started, Waste Management provides you with two different wheeled carts: one for recyclables and one for trash. Your trash cart is serviced once per week on your regularly scheduled service day and your recycling cart is serviced once every other week on your service day. Information about what materials should go into each cart are included on the follow page of this guide.

For more information about your residential service, visit Home.wm.com/santa-ana or contact the City of Santa Ana at the number listed in this guide. By working together, we can keep Santa Ana a clean, green community!

ADDITIONAL SERVICES & ACCOUNT UPDATES

- For information on additional services, such as bulky item collection and additional trash or recycle carts, please visit wm.com and type in your address.
- To discontinue service or update the billing information on your account, please visit the City's website, Home.wm.com/santa-ana and complete a Utility Service Termination or Update/Change Form.

CART SERVICE REMINDERS

- Place all materials in the appropriate container and close the lid.
- Material left outside the cart(s) will not be collected.
- Roll carts into street or alleyway and place them against the curb, handles facing your home. Place carts at least two feet apart from other carts and objects.
- Place your carts at the curb by 6:00 a.m. on your service day. Emptied carts should be removed from curbside by 6:00 p.m. on the same day.

HOLIDAY SCHEDULE
Collection service does not occur on the following holidays:

- > New Year's Day > Memorial Day > Independence Day
- > Labor Day > Thanksgiving Day > Christmas Day

When a holiday falls on a weekday, your collection will be delayed one day. If a holiday falls on a Saturday or Sunday, there will be no delays in your service.

CUSTOMER SERVICE
(646) 822-2200

Follow these three simple rules while recycling:

1. Recycle all empty bottles, cans and paper.
2. Keep foods and liquids out of the recycling bin.
3. Keep recyclables loose and not bagged in plastic bags. Take plastic bags back to your local grocer.

FIND DETAILED RECYCLING INFO ON THE BACK OF THIS PAGE.

THINK GREEN.

RECYCLING COLLECTION
Your cart with a Blue Lid is for Recycling Collection. Waste Management and the City are working together to help residents to Recycle Right. Just follow the guidelines below and then place your recycle cart at the curb on your regularly scheduled service day every other week. Because we value your participation, Recycling Collection is being provided at no additional cost to you.

RECYCLE OFTEN. RECYCLE RIGHT.

RECYCLE OFTEN:

- Metal Cans:** Steel and aluminum cans, vegetable, fruit & tuna cans.
- Plastic Bottles & Containers:**
- Paper:** News papers, non-commercial office paper, newspapers, magazines.
- Paper, Cardboard, Dairy & Juice Containers:**
- Flattened Cardboard & Paperboard:**
- Glass Bottles & Jars:**

RECYCLE RIGHT: Things you can do to ensure quality material is recycled:

- Items that should **not** be included in your recycling cart:
 - Food waste
 - Polystyrene cups or containers
 - Plastic bags and film
 - Needles and syringes

TRASH COLLECTION
Your cart with a Black Lid is for Trash Collection. Trash guidelines:

- Trash is household waste that cannot be recycled.
- Cart weight is not to exceed 200 lbs.
- Material should be loosely packed to empty easy (NO paint, batteries, CFL bulbs, oil, electronics or needles)

ADDITIONAL SERVICES
Waste Management provides additional, value-added services in the City of Santa Ana upon request. These services include:

- Septic Pumping
- Portable Toilets
- Propane Service

To find out more about these additional services, contact (714) 558-7761.

ADDITIONAL INFORMATION
Waste Management's website wm.com contains additional information about the following:

- Bulky Item Collection
- Extra Carts
- Billing and Payment Options

RESIDENTIAL HAZARDOUS WASTE
Residential Hazardous Waste, such as household cleaners, paint, fluorescent lightbulbs, motor oil and electronic waste is harmful to the environment and should not be disposed of in your curbside carts.

THINK GREEN.

Sample Welcome Letter

A Comprehensive Service Guide

Immediately following the award of the Contract, we will begin to develop a comprehensive residential guide to services which will be ready for County review by 3rd Quarter of 2021. By January 1, 2022, we will direct mail each SFD customer a comprehensive service guide that highlights what material goes into each container, recycling guides, HHW disposal information, the bulky item collection program, holiday schedule, Customer Service information, and information on how to access local resources to learn about upcoming events through the Waste Management local website. The service guide will also include information on State-mandated programs and what each customer needs to do to comply. New customers throughout the term of the Contract will also receive a welcome packet upon signing up for services with Waste Management.

What Goes Where

Recycling Cart



- Paper**
 - Newspaper
 - Paper
 - Cardboard
 - Paper Envelopes
 - Junk Mail
 - Magazines/Catalogs
 - Phone Books
 - Paper Bags
 - Non-Metallic Wrapping Paper
 - Cardboard
- Metal and Glass**
 - Aluminum Cans
 - Empty Aerosol Cans
 - Tin Cans (Canned Vegetables and Soup)
 - Steel Cans
 - Glass Bottles (Wine, Liquor, Juice)
 - Glass Food Jars (Condiments)
- Plastics**
 - Plastic Bottles (Water, Juice, Soda)
 - Plastic Jugs (Milk and Juice)
 - Plastic Jars (Condiments)

Make sure recyclables are loose, clean, and dry before placing in the recycling bin!



Do Not Include Plastic Bags or Film

Do not place bagged recyclables or plastic film in your recycling bin as these materials will be deemed as contamination. Plastic bags and film tangle equipment at recycling facilities and contaminate recycling loads. This poses a safety risk to workers and reduces the chances of the item being recycled. If you collect your recyclables in a bag, empty them directly into your cart and reuse the bag. Learn where you can recycle plastic bags and film at plasticfilmrecycling.org.

Avoid Recycling Contamination

Have you ever heard the phrase, "one bad apple spoils the bunch?" The same is true for recycling, where any item that is not recyclable can potentially spoil an entire batch of otherwise good material. Please do not dispose of any trash, furniture, bulky items, food waste, green waste, plastic liners/film, Styrofoam, clothing or textiles, propane tanks, electronic items, or any non-recyclable material into the recycling container as this will be considered contamination. If your container is contaminated, you may be assessed a contamination charge.

If your container is excessively contaminated, your container may not be able to be serviced by the recycling truck and it may have to be serviced as trash which will result in an additional charge.

Visit wm.com/recycle-right for 24/7 access to recycling education and resources, or contact your local Mission Viejo Recycling Coordinator at MVRecycling@wm.com for further education materials and recycling support.

Waste Management thanks you for your dedication to recycling right and complying with state recycling mandates.

Green Waste Cart



- Acceptable items**
 - Grass
 - Leaves/ Tree Branches
 - Stumps/Brush
 - Plants/Weeds
 - Garden Trimmings
 - Sawdust
- No animal waste, soil, rocks, paper, or plastic.**

Do not place needles, chemicals, paint, fluorescent light bulbs, propane tanks, full or partially full aerosol containers, batteries and electronics, and/or construction debris inside any of your containers. Please refer to the Household Hazardous Waste and Other Disposal Options on the next page for more information on how to properly dispose of these items.

THINK GREEN!



Trash Cart



The trash cart is for household waste that cannot be recycled.

Carts must not be overfilled, and lids should be able to close. Material should be loosely packed so the carts will empty easily.

- Polystyrene Foam (Styrofoam Containers and Packaging)
- Non-Recyclable Plastics
- Plastic Liners/Film
- Food/Grease-Soiled Pizza Boxes
- Paper Towels/Napkins/Tissues
- Paper Plates
- Plastic Utensils
- Soiled Paper Cups
- Wax-Coated Paper Cups
- Pet Waste/Diapers
- Garden Hoses
- Non-Donatable Clothing, Bedding, and Textiles



Community Meetings

Waste Management will hold a total of two community meetings in July 2021 and bi-weekly meetings starting December 2021 through January 2022. These meetings will be held virtually, and COVID safe, to introduce customers to new service offerings and review key transition information. These workshops will be led by a designated Waste Management Recycling Coordinator and they will cover state mandates, what should and should not be placed into each container and any other program changes in the new Contract including upcoming SB 1383. Each meeting will have an open question and answer session at the end. Informational meeting dates will be included in all pre-implementation press releases, residential mailings, and will be available on the local website.

Cart Labeling and Carts

Upon award of the Contract, Waste Management will immediately begin designing the label/stamp for SFD carts which will be compliant with CalRecycle’s guidelines for signage. This will be included with all SB 1383 compliant container replacements beginning January 1, 2022. SB 1383 compliant carts will be provided upon customer request for replacement throughout the life of the contract, with all carts being SB 1383 compliant by 2036.

Educational Materials

Waste Management will create an SB 1383-specific educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management’s technologies and processes for recycling organic waste, and what can and cannot be placed into the organics recycling cart. This flyer will be available to be reviewed by the County for modification and final approval. The intent is to have the flyers ready for print by January 2022 so that they may begin to be distributed at community events and workshops and inserted with the direct mailer that is initially sent out in time for the new organics program to commence on

January 1, 2022. It will also remain on the Waste Management local website for reference.

How-to-Video

Waste Management will coordinate with a videographer to produce service video tutorials that residents can easily access to learn how to use their Waste Management source-separated containers, including how to comply with SB 1383.

The video will illustrate how to source separate recyclables and organics waste while explaining what should and should not be placed in each container. It will also highlight some best management practices such as how to keep your organics container clean and how to reduce odor. This video is estimated to begin circulating in the 1st Quarter of 2022. Waste Management will link the videos



on County's local Waste Management website.

Media Outreach

Waste Management will collaborate with County staff to conduct outreach to local media sources. Press releases will be distributed throughout the Contract implementation to promote key implementation messages and dates, new service offerings, and community educational events.

Community Events

Waste Management prides itself on providing a comprehensive community service that focuses on investment within the community through event and organizational sponsorship, recycling education and compliance, and first-class customer service. As part of the education and outreach campaign, Waste Management will have the designated Recycling Coordinator at community events throughout the year. Each event will allow the Recycling Coordinator to distribute educational flyers and speak with members of the community to directly address any questions or concerns. Waste Management typically organizes booths through the event coordinator; however, Waste Management can also come prepared with our own equipment if needed.

School Outreach

As previously stated, Waste Management's approach is intensely local. Our team is involved by participating in community-sponsored events, hosting tours of our facilities for local organizations and residents and working closely with schools to integrate recycling education into their school curriculum. For all schools in the County Unincorporated that request educational presentations or assemblies, Waste

Management's designated Recycling Coordinator will work closely with school staff to coordinate a preferred time and date for the presentation. Regardless if Waste Management is the school's designated hauler, students will benefit from a Waste Management taught presentation as it is assumed that most students live within the County Unincorporated and they can use the recommended practices at home. Waste Management has performed various school presentations throughout Orange County, which have included "Touch-a-Truck" presentation, assemblies, morning announcements, school events, and compost class. Waste Management is also happy to work with school staff, administration, or environmental student organization groups to help kick-off school organics and recycling programs.





Multi-Family Dwelling (MFD) Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of MFD properties, including communications curtailed directly to the tenants and the property managers. Specialized public education resources and outreach efforts for MFD properties will include:

Welcome Letter, Service Guide, and Site Visits

By July 1st, we will mail each MFD property manager or property owner a notification to inform them of the upcoming Contract transition and provide them an overview of key implementation information, changes, and dates. This letter will also contain information about SB 1383, what the new organics recycling program is, when the organics program will commence, and how to successfully participate and sign up for the program. The letter will highlight the contact information of the designated Recycling Coordinator who will conduct a site visit and provide free technical assistance in reviewing collection services, State-mandated programs, and program enhancements to ensure compliance and readiness for the new Contract. The Recycling Coordinator will also help implement a recycling and food waste program at the property and assist with tenant education. This includes the distribution of MFD specific educational materials and service guides to tenants, as well as the in-home food waste pails. The Recycling Coordinator will also be available throughout the term of the Agreement and will work with property management and staff to ensure the MFD is compliant with state mandates.

"Great work trash driver loves his work and is very nice.."

Kelly J., Unincorporated
Rancho Santa Margarita

Included in our initial communications and educational outreach to all MFD property owners and managers will be information on our Multi-Family Bulky Item Collection program.

Educational Materials

Upon award of the Contract, Waste Management will design an educational flyer that describes and illustrates what SB 1383 is what can and cannot be placed into organics recycling carts. This tenant-focused flyer will be provided to all MFD property owners and managers for their tenants and will be distributed at hosted community events and workshops. This easy to use and access flyer is in addition to the MFD Service Guide. All materials distributed will also be posted to the Waste Management local website for easy and quick reference.

Media Outreach and Community Meetings

County of Orange Unincorporated Multi-Family Food Waste Recycling Program

Dear County Unincorporated Resident:
Waste Management invites you to enroll now! Our food waste recycling program makes it easy for you to turn your food waste into renewable energy. Learn more about how to participate in the program by following the steps below.

If you compost, you can participate in this too because we can accommodate many items that are not compostable! Your food waste will be used for the generation of clean, renewable green energy.

SO, HOW DOES THE PROGRAM WORK? IT'S EASY!

1. Simply line your kitchen food waste pail with a small plastic liner. (The facility can accept any plastic bag. Reuse a bread, tortilla, or packaging bag. Paper bags are compostable and cannot be used to collect food waste).
2. Scrape your food waste in the kitchen food waste pail.
3. When the pail is full, securely tie the food waste liner and place it directly inside your green waste cart. **NOTE: Unbagged food waste cannot be collected.**

TIPS FOR MAKING THE MOST OUT OF YOUR FOOD WASTE RECYCLING PROGRAM

- If you are unsure if a certain food scrap can be recycled, it is better to throw it out with the regular garbage than risk contamination.
- Periodically wash kitchen pail out to reduce odors. Odor reducers such as Orange Odor Eliminator or baking soda can help reduce food odor and adds a fresh scent to your home.
- While Waste Management drivers and employees can assist with "quality control" of your outside containers, it is important for you to segregate your materials properly. (See back page sheet for segregation instructions)

Waste Management Customer Service
 CALL: 714-558-7761
 EMAIL: cslosangeles@wm.com
 VISIT: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

Turn Your Food Waste into Renewable Energy!

Our Multi-Family Food Waste Program is as Easy As 1-2-3!

1. Put food scraps in a bag
2. Tie the bag
3. Put the bag of food inside this container

You Can Use Any Plastic Bag
 Reuse a bread, tortilla, or packaging bag, biodegradable or decomposable.

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

County of Orange Unincorporated Multi-Family Food Waste

How Does The Process Work?
 After your organic waste is picked up from the curb, our drivers take it to our Transfer Station, where the food waste bags are separated from the yard waste. Then, the commercial and residential food waste is combined and brought to the CORE® facility, where we create a Bio-engineered Slurry. That Slurry is then used in the Carson Waste Water Treatment Plant's anaerobic digesters to generate renewable energy!

CORE® Process:
 1. Source-Separated Organics
 2. CORE®
 3. Engineered Slurry Transport
 4. Wastewater Treatment Plant Anaerobic Digester
 5. Renewable Energy

Waste Management Customer Service
 Phone: (714) 558-7761
 Email: home.wm.com/orange-county

Like our SFD customers, MFD tenants and staff will also be invited to the community meetings and have access to the media outreach and videos previously described.

Commercial Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of commercial properties and ensure complete compliance with AB 341, AB 1826 and SB 1383. Customized public education resources and outreach efforts for commercial properties will include:

Welcome Letter

By July 1st, 2021, we will mail each commercial customer a notification to inform them of the upcoming Contract transition. This letter will contain an overview of key implementation information and the dates of the town halls, where they can join Waste Management to learn more information and ask questions. At this time, we will also direct customers to our website and provide the contact details of our dedicated Recycling Coordinator for free technical assistance.

A Comprehensive Service Guide

Immediately following the award of the contract, we will begin to develop a new comprehensive commercial service guide which will be ready for County review by 4th Quarter of 2021. By the 1st Quarter of 2022, we will mail each commercial customer a service guide that contains an overview of: collection and bulk services; acceptable materials for each waste stream; recycling guides; holiday schedules; Customer Service information. and information on how to access local resources and contact the County of Orange-dedicated Recycling Coordinator. The welcome packet will also include information on State- mandated programs such as AB 341, AB 1826, and SB 1383 and what businesses need to do to comply.

Free Recycling Assistance

The City of Mission Viejo and Waste Management are proud to offer businesses free technical assistance and educational materials for recycling and organic recycling services to help ensure your business is compliant with State mandates.

Contact your local Waste Management Mission Viejo Recycling Coordinator at MVR Recycling@wm.com for free assistance with setting up a successful recycling program for your business. Your Recycling Coordinator can provide complimentary education and training materials for staff and assist with right-sizing your services to help you maximize diversion results and cost savings on your waste collection bill.



Recycling and Diversion Programs

Participate in the following recycling and diversion programs to reduce your trash.

Universal and Electronic Waste

Universal and electronic waste products are products that are flammable, corrosive, reactive, or toxic. These products can be dangerous to the public and the environment.

This waste must be disposed of properly, and it is illegal to dispose of hazardous, universal, or electronic waste in your Waste Management containers.

Please visit oclandfills.com/hazardous and click the link for "Business Hazardous Waste Referrals" for safe disposal options near you. For a universal waste collection quote from Waste Management, please contact our Customer Service and they will direct your request to a universal waste specialist.



Assembly Bill 341

California's Mandatory Commercial Recycling Law

On July 1, 2012, Assembly Bill 341 (AB 341) became effective in the State of California. This law requires multi-family complexes with five units or more and businesses that generate at least four cubic yards of solid waste per week to have a recycling program in place. Waste Management is pleased to provide commercial recycling services that can help your business comply with the State Assembly Bill 341.

To sign up for recycling services, contact Waste Management at (949) 642-1191 or Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com. The local Recycling Coordinator can provide free technical assistance with setting up a recycling program.

Please do not hesitate to contact your local Waste Management Recycling Coordinator if any questions regarding this mandate, or for more information, visit calrecycle.ca.gov/recycle/commercial. Waste Management will provide all the materials and resources needed to start a successful program!



Assembly Bill 1826

California's Mandatory Commercial Organics Recycling Law

On September 28, 2014, Assembly Bill 1826 (AB 1826) became effective in the State of California. This law requires businesses and multi-family properties to recycle their organic materials, depending on the amount of waste they generate per week.

As part of California's recycling and greenhouse gas (GHG) emissions target, businesses are required to divert landscaping waste, food scraps and foodsoiled paper, while multi-family buildings with five (5) units or more are required to collect and recycle landscape waste only. These organic materials account for nearly one-third of the approximately 30 million tons of waste destined for California's landfills each year.

Diverting organics from landfills reduces landfill GHG emissions and produces sustainable products that contribute to soil health, plant nutrition, water conservation and carbon sequestration. Waste Management is pleased to provide commercial organics recycling services that can help your business comply with State Assembly Bill 1826.

Visit calrecycle.ca.gov/Recycle/Commercial/Organics or contact Mission Viejo's local Recycling Coordinator at MVR Recycling@wm.com for more information about this mandate. The local Recycling Coordinator can provide free assistance with setting up an organics program and provide free training and education needed for a successful program!

Holiday Tree Recycling Drop-Off

Annually, Waste Management will collect and recycle holiday trees for the first three weeks following December 25th.

Businesses are welcome to bring their office tree to a Waste Management holiday tree recycling dumpster which will be set up to three (3) designated drop-off locations throughout the City each year.

Please remove all decorations including tinsel, lights, ornaments, and tree stands. Please note, frosted trees will be collected but cannot be recycled.

Plastic/faux trees cannot be accepted.

Visit cityofmissionviejo.org/green or business.wm.com/mission-viejo for drop-off location details.



Bottle and Can Recycle Centers

Recycling bottles and cans makes cents!

You can redeem empty California Redemption Value (CRV) beverage containers at the buy-back centers listed below in Mission Viejo.

Visit www2.calrecycle.ca.gov/BevContainer/RecyclingCenters/ for additional nearby locations.

Next Generation Recycling
27771 Center Dr., Mission Viejo
(714) 951-5004

Pance Recycling
La Paz Center
25104 Marguerite Parkway, Mission Viejo
(714) 794-7542



THINK GREEN!



Site Visits and Technical Assistance

Every commercial customer is eligible for free technical assistance, educational tools, and right-sizing via our Recycling Coordinator. This service is intended to help maximize the effectiveness of customer's recycling programs and also ensure that their services are set up for success. During a scheduled site visit, Recycling Coordinator confirm customer contact information and that services match the data we have on file. They will also provide right-sizing recommendations and offer education and training materials for staff and custodians to ensure compliance with state mandates. This information will be provided in the initial Welcome Letter and Service Guide, as well as be available on the local website.

Key Implementation Tasks and Timeline

For further information regarding planned implementation specifics, please see the following graphic which is intended to provide a visual timeline.

County of Orange

2101-001 - Exclusive Collection and Handling of Discarded Materials - Orange Unincorporated



Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
1	Franchise Award	City	Cityawards contract - April 27, 2021	Q2 2021	1	✓											
2	Internal Monthly WM Meetings	WM	WMdepartments begin planning all aspects of new Contractroll out	Q2 2021	Ongoing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Educationand Outreach Planning	WM/City	ContractLiaison andRecycling Coordinators to begin all design work in preparation for final submission to City	Q2 2021	8	✓	✓	✓	✓	✓	✓	✓	✓				
5	Educationand Outreach	WM	Welcome Letters	Q3 2021	1			✓									
6	Commencement	WM/City	NewContract Begins	Q3 2021	120			✓									
7	Media Production	WM/City	Media Production to commence	Q3 2021	6			✓	✓	✓	✓	✓	✓				

Key Implementation Tasks and Timeline																	
Task	Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	07/32
8	Education and Outreach	WM	Community Town Halls	Q3 & Q4 2021/Q1 2022	2			✓					✓	✓			
9	Education and Outreach	WM	Multi-Family Outreach for State Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Commercial Outreach	WM	Commercial Outreach for Sate Mandated Compliance	Q3 2021	Ongoing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Education and Outreach	WM	Media advertisements and informational videos	Q4 2021 and Q1 2022	4							✓	✓	✓	✓		
12	Education and Outreach	WM	Service Guides	Q1 2022	1									✓			
13	Cart Delivery	WM	Provide New Carts Including SB 1383 Labels	Ongoing	Q1 2022									✓	✓	✓	✓

APPENDIX 5

OUTREACH AND EDUCATION PLAN

OUTREACH AND EDUCATION PLAN

A Partner to Your Community

Proposer shall provide an Outreach and Education Plan which satisfies all requirements of AB 939, AB 341, AB 1826, and SB 1383. This plan shall detail all planned tasks, procedures and schedule to ensure the County's compliance with AB 341, AB 1826, and SB 1383.

Waste Management understands that in today's society, people rely on various forms of communication to get the most up to date information. This is why we have many different methods of connecting with our customers which all share a common goal - to provide clear, concise, and relevant service and educational information. Waste Management wholly intends to achieve full compliance with AB 341, AB 1826, and SB 1383 including all requirements as per the Draft Franchise Agreement throughout the life of the Contract. To achieve this mission, Waste Management understands that a comprehensive education and outreach campaign is required early on to attain the desired recycling behavior and knowledge base among County of Orange Unincorporated residents and businesses.

The following pages will discuss in detail our AB 341, AB 1826, and SB 1383 outreach plan which is designed to ensure continued compliance for the County Unincorporated. This plan will build on our implementation plan as mentioned in the previous section and also go into further description of the ongoing education outreach efforts and processes that will occur throughout the course of the Agreement.

Program	Customer Sector	Details
Dedicated Recycling Coordinator	Residential, Multi-family, Commercial	Upon award of the contract, Waste Management will work to designate a dedicated Recycling Coordinator to assist and carry out education and outreach for residential, multifamily, and commercial customers in the Unincorporated County areas. The Recycling Coordinator will also assist with County Unincorporated facility compliance, School District outreach and assemblies, as well as public events and townhall seminars. The dedicated Recycle Coordinator will be ready by Q1 2022 to assist with state mandated programs. Prior to beginning outreach in the County, the Recycling Coordinator will receive a comprehensive, multi-day educational training program that covers the state mandates, how to perform site visits, how to track compliance and outreach efforts, and explicit services and programs specific to UOC.
Recycling Reporting Software	Residential, Multi-family, Commercial	To further improve the submittal of accurate and organized reports, Waste Management proposes the implementation of a recycling reporting software for the managing, tracking and scheduling of all compliance and outreach communications and activities. This includes contamination monitoring and the tracking of internal programs, including edible food waste recovery. More details of this program are highlighted in the following pages.
Comprehensive Service Guides	Residential, Multi-family, Commercial	Waste Management's Comprehensive Service Guide will be available in print and electronic form for each customer type and will include Waste Management's collection procedure summary and services. This includes but is not limited to how-to's for container collection, information on the bulk program, HHW disposal information, holiday collection schedules, recycling/composting guidelines, waste prevention tips, and Customer Service contact information. In addition, these packets will include information on pertinent laws to the customer type such as AB 341, AB 1826, and SB 1383. As part of the implementation plan, one Welcome Packet will be mailed to each customer in January 2022. In addition, these packets will also be annually mailed to all customer types each year. They will also always remain online throughout the life of the Contract for reference.

Program	Customer Sector	Details
Community Workshops	Residential, Multi-family, Commercial	The Waste Management Recycling Coordinator will host community workshops to discuss recycling programs and services and also offer an opportunity for customers to have a live Q&A. These workshops will cover state mandates, recycling programs, and key Waste Management services and information. The workshops will be bi-weekly in July 2021, and again in December 2021 - January 2022.
Educational Flyers	Residential, Multi-family, Commercial	Waste Management currently has multiple recycling flyers, food waste recycling flyers, and informational flyers that touch on current state mandates. To further add to our library of resources, Waste Management will create new and updated educational flyers, which will include SB 1383. These flyers will provide meaningful information, graphics, and details on how to participate and comply with state mandates and recycling programs. It will include information about edible food recovery and donation. This information will be distributed annually to customers, as well as be available online for each customer type throughout the life of the Contract.
Transcreated materials	Residential, Multi-family, Commercial	Waste Management is a leader in providing culturally appropriate recycling education. We transcreate educational materials by delving into a culture to find relevant products and language. Collection guidelines and educational materials can be translated into various languages upon request.
Edible Food Recovery and Donation	Commercial	Waste Management has a strong partnership with a local food recovery and recycling specialist nonprofit called Waste Not OC. As part of the upcoming SB 1383 requirements, jurisdictions are required to establish and educate constituents about food recovery in order to help achieve the state-wide goal of 20 percent edible food recovery. To assist the County in this feat, Waste Management will create customized educational materials that highlight how and where the County of Orange Unincorporated community can participate in edible food recovery and donation. Waste Management will also work with Waste Not OC and other local nonprofits and businesses to identify opportunities for edible food recovery.
How-to Videos	Residential, Multi-family, Commercial	Waste Management will produce how-to videos in effort to educate customers on how to recycle right and participate in the organics recycling program. Waste Management will coordinate with a videographer upon award of the contract so that the video is ready to circulate by Q1 2022.
AB 341 and AB 1826 Compliance	Multi-family, Commercial	As part of an annual program, the Waste Management Recycling Coordinator will visit each non-compliant business to provide free technical assistance to setup and maintain a successful diversion program. The Recycling Coordinator will work with each non-compliant commercial and multifamily properties to provide education and training for recycling and food waste recycling programs, and also document internal programs, including edible food donation. More details of this program will be discussed in the following pages.
SB 1383 Compliance	Residential	Waste Management's residential SB 1383 education and outreach plan includes welcome letters, service guides, educational flyers and videos, and kitchen food waste pails which will be distributed to SFD customers upon implementation. Educational materials will be available throughout the life of the Contract, in addition to the Recycling Coordinator who will also host community workshops for those who wish to learn more and ask questions about the program. In addition to all that has been mentioned thus far, Waste Management has a detailed contamination monitoring plan via our waste characterization audits coupled with our SMART Truck sm technology. Residential routes that are identified to have unacceptable levels of contamination will receive additional education and outreach. More details of this program will be discussed in the following pages.

Program	Customer Sector	Details
SB 1383 Compliance	Multi-family, Commercial	Waste Management's multifamily and commercial SB 1383 education and outreach plan is an extension of what was previously described above and throughout this proposal thus far. For multi-family/commercial routes that are identified to have unacceptable levels of contamination, these customers will receive additional educational materials and site visits to ensure maximum efforts are exercised in achieving compliance. Waste Management will work directly with business owners and property managers to confirm they are enrolled in the appropriate levels of recycling and food waste recycling service, and that their employees, staff and tenants are also well trained and educated on the program. More details of this program will be discussed in the following pages.
SB 1383 Route Audits	Residential, Multi-family, Commercial	Waste Management will perform route audits for residential and commercial routes, as currently allowed by CalRecycle to monitor contamination. Further details of this process will be described in the following pages.
Website and Social Media	Residential, Multi-family, Commercial	Waste Management uses digital and social media education to inform customers about our services, recycling and food waste recycling programs, and community events. Our local UOC website, home.wm.com/orange-county , is available 24/7 and has the most up-to-date information on services, events and programs. The website will contain a plethora of information in regard to AB 341, AB 1826, and SB 1383, as well as our program services and tips for recycling right. Waste Management will work with UOC staff and our Southern California Communications Team to manage our social media posts and website updates.
Event Education	Residential, Multi-family, Commercial	Waste Management's dedicated Recycling Coordinator will host a recycling and food waste recycling informational booth at community events each year. The Recycling Coordinator will provide educational materials to those who attend and also work with event organizers to provide technical assistance for a zero-waste event.
School Outreach	Commercial: Schools	Waste Management works with schools and environmental clubs to educate students and improve or implement recycling and food waste recycling programs. Activities include lunchtime waste audits, staff and green team trainings and touch-a-truck presentations. This is an ongoing outreach effort that Waste Management offers continuously to schools and/or educational organizations that are interested.

Commercial and Multi-Family Compliance Outreach

The Waste Management Recycling Coordinator will continue to collaborate with the County on education, right-sizing, and the implementation of recycling and organics programs. The Recycling Coordinator will be able to conduct site visits and perform waste assessments to determine customers' collection frequency needs. In addition, the Recycling Coordinator will be able to consult with businesses and coordinate the delivery of the appropriate number and size of containers.

Following is the standardized approach that will be taken for preparing a recycling and food waste recycling diversion plan for each business:

Generator Identification

Each year, the Waste Management's Recycling Coordinator will assist in identifying the County's AB 341 and AB 1826 generators. The Recycling Coordinator will cross-reference previous self-reporting forms and site visit notes to identify customers with internal programs.

Compliance Notification

Once generators are identified, the Recycling Coordinator will work to identify multi-family and commercial customer's AB 341 and AB 1826 compliance status. Upon completion of this task, the Recycling Coordinator will assist in the notification and tracking of customer responses.

Annually, all commercial customers will receive a bill insert that provides information that explains how to comply with State/local mandates such as AB 341, AB 1826, and SB 1383. This flyer will also include information on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers. The County Unincorporated will have the full discretion to alter the flyer as needed and place the County Seal on the letterhead.

Customer Responses

Annually, each non-compliant multi-family and commercial customer under the AB 341, AB 1826 and SB 1383 generation threshold will be notified and contacted by the Recycling Coordinator who will notify them of the associated state recycling and diversion mandates. For noncompliant customers who respond, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit and food waste recycling training. For customers claiming they have an internal program, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further training or education is needed.

Site Visits

On the day of the site visit, the Recycling Coordinator will perform an audit of the customer's waste stream to estimate solid waste, recyclable material, and organics materials generated by the customer. The Recycling Coordinator will also identify locations throughout the property where recyclable and organic materials are generated to further assess the volume produced onsite. For noncompliant customers, the Recycling Coordinator can use the waste characterization summary to recommend service levels and frequencies and provide the associated costs and alternative options if needed. The Recycling Coordinator will be able to refer to the customer's information and rate sheets and propose a right-sized recycling and/or food waste recycling program. If the customer accepts the proposed services, the Recycling Coordinator will organize with Waste Management's Operations team to adjust the account and organize delivery of the recycling and/or organics container.

If a customer has an internal or back-hauling program, the Recycling Coordinator will document and verify that the program is comprehensive and achieves full compliance. Additionally, the Recycling Coordinator can input outreach notes and customer interactions in correspondence with each account and during the site visit.

Training

The Recycling Coordinator will perform recycling and food waste recycling trainings for all non-compliant commercial and multi-family customers to ensure a sustainable and successful program. This training typically does not take more than 20 minutes and it allows for property managers and staff to receive hands-on information about State and/or local mandates, learn about Waste Management's recycling and/or organics program, understand best practices for source separating materials, and ask questions directly to the Recycling Coordinator and/or the UOC's third-party consultant.

Edible Food Recovery

For Tier 1 and Tier 2 customers, or for those who could benefit from a food recovery program, the Recycling Coordinator will educate and assist customers with getting in contact with food recovery organizations within the region. The Recycling Coordinator will maintain a list of local contacts for food donation programs in hopes of supporting the statewide goal of achieving a 20% increase in edible food recovery by 2025.

Additional Resources

All customers will have access to the Waste Management local website, which will showcase information specifically tailored to commercial and multi-family customers. It will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated Recycling Coordinator. The website will also have a link to our informative how-to videos which can be used in training sessions and referred to throughout the life of the Contract.

Residential Compliance Outreach

In addition to the education and outreach efforts as described in the previous section and in the chart from the previous pages, Waste Management will continue SB 1383 residential outreach annually via a direct mailer and residential service guide. This mailer will provide educational information about SB 1383 and meaningful graphics which show how to participate in the program. In addition, the Waste Management Recycling Coordinator will continue to host community workshops to provide program information, highlight sustainable at-home best practices, and answer questions. Lastly, should an SB 1383 route audit result in unacceptable levels of contamination, Waste Management will assist in performing additional education and outreach to the specified routes. This additional, target outreach will include additional flyers and educational materials and door-to-door neighborhood canvassing.

Compliance Monitoring

AB 341 and AB 1826 Monitoring

Waste Management has fully adapted to the UOC's desired monitoring approach, which demands the least inconvenience and impact on residents and businesses. Waste Management will complete all specified education and outreach activities to increase participation in diversion programs and maintain compliance with CalRecycle. As previously stated, Waste Management will annually mail all commercial and multi-family customers an informational flyer that explains how to comply with state/local mandates pertinent to AB 341, AB 1826, and SB 1383. This flyer will also provide details on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local website page for additional resources and information.

Waste Management will also conduct annual site visits for each non-compliant commercial customer under the AB 341 and/or AB 1826 generation threshold. This site visit will serve to confirm continued 100 percent participation in recycling and organics programs, and/or to allow for the Recycling Coordinator to provide free technical assistance and education to commercial customers who have yet to obtain full compliance. If a customer should need additional training, or lack the requirements to obtain full compliance, Waste Management will conduct the same approach that is mentioned previously in the commercial and multi-family outreach section.

SB 1383 Monitoring

Waste Management will perform hauler route reviews for residential and multi-family/commercial routes, as currently allowed by CalRecycle to monitor contamination. We understand that CalRecycle may modify the requirements for measuring contamination and accordingly, the methods may need to be altered.

Unless otherwise directed by CalRecycle and/or the County, we will utilize the hauler route review methodology in accordance with Section 5.6.A (Option 2) and Appendix 6.E.3 (Option 1). Waste Management will conduct these reviews beginning in 2022.

APPENDIX 6**RECORD KEEPING AND REPORTING****A. GENERAL**

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) **Report Format**

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) **Submittal Process.** All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. **Reporting - Monthly Reports**

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) **Tonnage Report**

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report**Option 1: Hauler Route Reviews**

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section

5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.
 - iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
 - iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:

- a. The complaint as received;
- b. The date the Franchisee investigated the complaint;
- c. Documentation of the findings of the investigation;
- d. Any photographic or other evidence collected during the investigation; and,
- e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.

- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.
- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial

support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.

- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

**EXCLUSIVE FRANCHISE AGREEMENT FOR
DISCARDED MATERIALS MANAGEMENT FOR
SINGLE-FAMILY, MULTI-FAMILY, AND
COMMERCIAL GENERATORS**

between

the County of Orange, California

and

CR&R Incorporated (CR&R)

Franchise Area 9

COMMERCIAL AND RESIDENTIAL EXCLUSIVE FRANCHISE AGREEMENT

**County of Orange
OC Waste & Recycling
_____, 2021**

Table of Contents

RECITALS	5
ARTICLE 1: DEFINITIONS; INTERPRETATION	7
SECTION 1.1. DEFINITIONS.....	7
SECTION 1.2. INTERPRETATION	22
ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE	24
SECTION 2.1. REPRESENTATIONS AND WARRANTIES.....	24
ARTICLE 3: GRANT OF FRANCHISE	25
SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS	25
SECTION 3.2. TERM OF FRANCHISE AGREEMENT.....	26
SECTION 3.3. FRANCHISE FEE	26
SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE	26
SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE	27
SECTION 3.6. COUNTY'S RIGHT TO DIRECT CHANGES	27
ARTICLE 4: COLLECTION SERVICES	29
SECTION 4.1. GENERAL SERVICES	29
SECTION 4.2. DISCARDED MATERIAL COLLECTION SERVICE OPERATING REQUIREMENTS.....	32
SECTION 4.3. CONTAINERS	33
SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION	34
SECTION 4.5. COLLECTION LOCATIONS.....	36
SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION	36
SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION	37
SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION	37
SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION.....	37
SECTION 4.10. OTHER WASTES.....	37
SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE.....	38
SECTION 4.12. SELF-HAUL OPT-OUT	38
SECTION 4.13. COUNTY DESIGNATION OF FACILITIES	38
ARTICLE 5: PROCESSING AND TRANSFER	39
SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS.....	39
SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES.....	39
SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES.....	39
SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS	39
SECTION 5.5. TITLE TO RECOVERED MATERIALS.....	40
SECTION 5.6. CONTAMINATION MONITORING PROCEDURES	40
SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER	44
ARTICLE 6: SOLID WASTE DISPOSAL	46
SECTION 6.1. SOLID WASTE DISPOSAL	46
ARTICLE 7: COMPLIANCE	48
SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN.....	48
SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS	48
SECTION 7.3. DIVERSION FEES	48
SECTION 7.4. OUTREACH AND EDUCATION PLAN.....	49

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM 53

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT 54

SECTION 7.7. INSPECTION AND ENFORCEMENT 54

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT RECYCLING PLAN AND STRATEGIES 56

SECTION 7.9. TONNAGE INFORMATION 56

SECTION 7.10. SAFETY 56

ARTICLE 8: OPERATING ASSETS 58

SECTION 8.1. OPERATING ASSETS 58

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS 59

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW 59

SECTION 8.4. TAXES AND UTILITY CHARGES 59

SECTION 8.5. INSURANCE ON OPERATING ASSETS 59

ARTICLE 9: GENERAL REQUIREMENTS 60

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE 60

SECTION 9.2. COMPLAINTS 60

SECTION 9.3. LIQUIDATED DAMAGES 61

SECTION 9.4. ACCOUNTING AND RECORDS 64

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR 65

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS 65

SECTION 9.7. INSURANCE REQUIREMENTS 67

SECTION 9.8. PERFORMANCE ASSURANCES 69

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT 70

ARTICLE 10: RATES AND RATE REVIEW PROCESS 72

SECTION 10.1. FRANCHISEE TO COLLECT RATES 72

SECTION 10.2. RATES 73

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW 73

SECTION 10.4. PUBLICATION OF RATES 74

ARTICLE 11: DEFAULT, REMEDIES, AND TERMINATION 75

SECTION 11.1. DEFAULT AND REMEDIES 75

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES 76

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE 77

SECTION 11.4. WAIVER OF DEFENSES 77

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE 77

ARTICLE 12: MISCELLANEOUS PROVISIONS 79

SECTION 12.1. INDEMNIFICATION 79

SECTION 12.2. RELATIONSHIP OF THE PARTIES 80

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY 81

SECTION 12.4. BINDING EFFECT 81

SECTION 12.5. AMENDMENTS 81

SECTION 12.6. FURTHER ASSURANCE 81

APPENDIX LISTING 83

APPENDIX 1-A 84

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY 84

APPENDIX 1-B 86

MAPS OF FRANCHISE AREA.....86

APPENDIX 1-C 89

CONTAINER SPECIFICATIONS.....89

APPENDIX 1-D 92

ACCEPTED MATERIALS92

APPENDIX 1-E..... 94

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS..... 94

APPENDIX 2-A 107

RATES FOR RESIDENTIAL SERVICE..... 107

APPENDIX 2-B108

RATES FOR COMMERCIAL SERVICE..... 108

APPENDIX 2-C 110

RATES FOR OTHER SERVICES..... 110

APPENDIX 3-A 111

EXAMPLE RATE ADJUSTMENT CALCULATION 111

APPENDIX 3-B112

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION..... 112

APPENDIX 4 114

IMPLEMENTATION AND COMPLIANCE PLAN114

APPENDIX 5 115

OUTREACH AND EDUCATION PLAN115

APPENDIX 6 116

RECORD KEEPING AND REPORTING116

APPENDIX 7 125

FRANCHISE AREA SPECIFIC PROGRAMS125

***EXCLUSIVE FRANCHISE AGREEMENT FOR DISCARDED MATERIALS
MANAGEMENT FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL
GENERATORS***

This Exclusive Franchise Agreement for Discarded Materials Management for Single-Family, Multi-Family, and Commercial Generators (this “Franchise” or “Agreement” or “Franchise Agreement”) is entered into on the [redacted]th day of May, 2021, between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and CR&R Incorporated (CR&R) (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the County may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the unincorporated area of the County of Orange and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in Franchise Area 9 for the safe Collection, Transport, Recycling, and Disposal of Discarded

Materials; and

WHEREAS, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs these services for Single-Family, Multi-Family, and Commercial service Customers, as more fully addressed herein; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, Franchisee and County have entered into a Waste Disposal Agreement, dated April 28, 2016 and

WHEREAS, the Parties agree that consideration exists on both sides of this Franchise Agreement in that Franchisee will receive the exclusive franchise to Collect Discarded Materials, as hereinafter defined, in the Franchise Area as described in Appendix 1-A and 1-B hereto, for the duration of this Franchise; and

WHEREAS the County and the Franchisee now desire to enter into this Franchise Agreement regarding Franchise Area 9; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises therein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS. Whenever any term in this Agreement has been defined by the provisions of Article 2 of the Orange County Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code shall apply unless the term is otherwise defined in the Agreement, in which case this Agreement shall control. In this Agreement:

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder affiliates of one another.

“Agreement” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action,

determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Approved Facility(ies)” means any one of or any combination of the: Designated Disposal Facility, Approved High Diversion Organic Waste Processing Facility, Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility, and, Approved Transfer Facility each of which are defined in this Article and listed in Appendix 1-E.

“Approved High Diversion Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Organic Waste Processing Facility” means the CR&R Anaerobic Digestion Facility at 1706 Goetz, Perris, CA 92570, which is owned and operated by CR&R or the South Yuma County Landfill at 19536 South Avenue 1E, Yuma, AZ, which is owned and operated by CR&R, that is a High Diversion Waste Processing Facility and was Franchisee selected and County approved.

“Approved Source Separated Recyclable Materials Processing Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA, which is owned and operated by CR&R, that is a Source Separated Recyclable Materials Processing Facility and was Franchisee selected and County approved.

“Approved Transfer Facility” means the CR Transfer at 11232 Knott Avenue, Stanton, CA or South County C&D MRF at 31643 Ortega Highway, San Juan Capistrano, CA, which are owned and operated by CR&R, that is a Transfer Facility and was Franchisee selected and County approved.

“Back-Haul” means generating and transporting Organic Waste, Source Separated Recyclable Materials, or other Solid Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Base Rate” means the rate charged for basic collection service of Discarded Materials including in a specified area, as authorized by the County, absent any discounts offered by the hauler.

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by County or Franchisee, or made by others for County or Franchisee, to Customers in the County.

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or “Bulky Waste” means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Commercial Edible Food Generators” means Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Commercial Premises” means any building or site (other than Residential Premises) in the Franchise Area from which any business, service, non-profit, governmental, institutional, commercial, or industrial activity is conducted and from which Discarded Materials are generated, produced, or discarded, including without limitation motels, hotels, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Businesses or business activities operated from Single-Family Dwellings using Bins shall be deemed to be Commercial Premises. Commercial Premises shall not mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Commercial Waste” means Discarded Materials generated, produced, or discarded by or at Commercial Premises within the County.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18984.1(a)(1)(A) for three container systems, and 18984.1(a)(1)(C) for two container systems.

“Compostable Plastic(s)” means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the County stating that the facility can process and recover that material for compostability, as defined in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Compost” has the same meaning as in 14 CCR Section 1789.2(a)(4), which stated, as of the Effective Date of this Agreement that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D” means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Area, including without limitation concrete, plaster, drywall, Greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means a receptacle for temporary storage of Discarded Materials. Containers may include Carts, Bins, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or “OCCO” means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person having the care and control of any Franchise Premises in the County Unincorporated Area receiving Discarded Material service from the Franchisee pursuant to the terms of this Agreement.

“Designated Collection Location” refers to the location, at each Franchise Premise where containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.5 herein.

“Designated Disposal Facility” means the facility designated by the Director to which the Franchisee shall transport County Acceptable Solid Waste and Residual Waste. The Designated Disposal Facility for this Agreement is any of the three active landfills owned and operated by the County of Orange. This includes the Olinda Alpha Landfill in Brea, CA, the Frank R. Bowerman Landfill in Irvine, CA, and the Prima Deshecha Landfill in San Juan Capistrano, CA.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food and safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Electronic Waste” or “E-Waste” means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal,

and other similar items.

“Emergency Services” means Discarded Material collection services, other than those expressly specified under this Franchise, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Director.

“Event of Default” has the meaning set forth in Section 11.1(A).

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Final Determination” means a judgment, order, or other determination in any Legal Proceeding which has become final after all appeals or after the expiration of all time for appeal.

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24)

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: 1) A food bank as defined in Section 11378.3 of the Health and Safety Code; 2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code; and, 3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this agreement.

“Food Recovery Service” means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26)

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Source Separated Food Scraps, Food-Soiled Paper and Compostable Plastics.

Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

“Franchise” means this Exclusive Franchise Agreement between County and Franchisee for Collection, transportation, Processing, Recycling, and Disposal of Discarded Materials, and other services related to meeting the goals and requirements of AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, including all appendices and attachments, and any amendments thereto.

“Franchisee” refers to CR&R, Inc. and their permitted successors and assignees.

“Franchise Area” means one of eleven Solid Waste Franchise Areas in the County of Orange, California, which is the subject of this grant of franchise, as set forth in Appendix 1-A and 1-B.

“Franchise Date” means [July 1, 2021]

“Franchise Fee” means Franchisee's share of the costs of franchise administration incurred or projected to be incurred by the County.

“Franchise Fee Due Date” is the 30th day after the issuance of the annual fee statement by the Director.

“Franchise Premises” means the Residential Premises, Commercial Premises, or both, for which the Franchisee is authorized to provide Franchise Services.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder. “Franchise

Year” means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2or under federal, State or local regulations, or other Applicable Law.

“Governmental Body” means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of their authority.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is a part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

“Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

“Greenwaste” means grass, lawn clippings, shrubs, plants, weeds, small branches and other forms of Organic Waste generated from landscapes or gardens, separated from other Discarded Materials.

“Gross Revenues” means Franchisee’s gross receipts attributable to all services performed in the Franchise Area in accordance with this Franchise Agreement for the immediately preceding calendar year.

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the County’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33).

“Household Hazardous Waste” means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous according to California statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic

And which are discarded from households as opposed to businesses.

“Incompatible Materials” means human-made inert material, including but not limited to glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Franchise.

“Liquid Waste” means watered or dewatered sewage or sludges.

“Material Recovery Facility” or “MRF” means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

“Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the County Disposal System, including but not limited to, waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs, and waste which includes animal wastes or parts from slaughterhouses or rendering plants.

“Mixed Waste” means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be transported to a High Diversion Organic Waste Processing Facility.

“Mixed Waste Organic Collection Stream” means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

“Multi-Family Dwelling” means of, from, or pertaining to Residential Premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Multi-Family Dwelling Unit” refers to an individual residential unit of the Multi-Family Dwelling.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section

18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Operating Assets” means all real and personal property of any kind, which is owned, leased, managed, or operated by or under contract to the Franchisee for providing Franchise Services, including without limitation the Approved Processing Facility, Containers, Vehicles, Transfer Stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Owner” means the person holding the legal title or having a right to possession of the real property constituting the Franchise Premises to which County Discarded Material collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51)

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, County of Orange, towns, cities, and special purpose districts.

“Performance Assurances” has the meaning set forth in Section 9.8.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, notes pads, writing tablets, newsprint, and other uncoated writing papers, poster, index cards, calendars, brochures, reports, magazines and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a MRF, that Processes Discarded Materials.

“Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable source separated Recyclable Materials and/or SSGCOW to be placed in County’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

“Property Owner” means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

“Rate(s)” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix 2. The Rates approved by the County are the maximum Rate that the Franchisee may charge a Customer for a particular Service Level and Franchisee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recovered Materials” means the products, excluding Residual Waste, produced by the processing of Recyclable Materials.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Refuse” means a form of Solid Waste and shall be regulated as such. Refuse refers specifically to Gray Container waste.

“Remnant Organic Material” means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential Premises” means Single-Family Dwellings and Multi-Family Dwelling Units lawfully occupied for human shelter. Residential Premises shall also mean any building or site from which horse manure is generated, including but not limited to maintenance and boarding of horses, provided such premises include a residence used for human shelter.

“Residential Waste” means Discarded Waste generated, produced, and/or discarded by or at Residential Premises within the County.

“Residual” or “Residual Waste” means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31) or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Reusable Items” means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Roll-Off Box” means an open or closed top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Routing and Collection System” means the routing and collection system for Discarded Materials which is in effect as of the Franchise Date.

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Scrap Materials” means any materials which are separated by type of Generator thereof from materials which otherwise are discarded or rejected by the Generator as Solid Waste and which are sold or donated by the Generator to a private recycler, scrap dealer, or salvager and recycled. Scrap Materials shall not include any materials which (1) are commingled with Solid Waste, or (2) are not commingled with County Solid Waste, but which are collected by any person other than the Franchisee as part of any transaction or arrangement involving Discarded Materials, irrespective of whether the Generator pays or receives consideration in connection with such transaction or arrangement.

“Self-Hauled Waste” means Discarded Materials hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or Recyclable Materials they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. Self-Hauler also includes landscapers.

“Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” or “Single-Family Dwelling” means any Residential Premises with less than five (5) units.

“Single-Family Container” means a container of 110-gallon capacity or less, usually used by a Single-Family Dwelling or a business, for Discarded Materials.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Source Separated” means materials, including commingled Recyclable materials, and Organic Waste that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste or Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7). The accepted types of SSBCOW and process for modifying the accepted types of SSBCOW are specified in Appendix 1-D.

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles, The accepted types of SSGCOW and process for modifying the accepted types of SSGCOW are specified in Appendix 1-D. SSGCOW is a subset of Organic Waste.

“Source-Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Appendix 1-D.

“Special Circumstance” means a circumstance which, when occurring, permits, but does not require the Franchisee or the County to seek an adjustment in the Rates for Service. Any such adjustment must be approved by the Board of Supervisors at the recommendation of OC Waste & Recycling.

“Special Service” means a level of Discarded Material collection service in excess of that offered by the Franchisee as its basic level of service, at an additional cost to the Customer, and may include, but is not limited to, backyard pickup, additional Containers, or more frequent collections. “Special Service” does not mean the reasonable accommodation of an individual with a disability. The charge for any special service may be reviewed by the Director and may require a public hearing and the approval of the Board of Supervisors.

“SRRE” means the County's Source Reduction and Recycling Element approved by the CalRecycle, as the Element may be amended from time to time, all in accordance with the Integrated Waste Management Act of 1989 (AB 939) and regulations related thereto, as they may be amended from time to time. Strategies that are required to be implemented by Franchisee are more fully set forth in Appendix 4 contained herein.

"State" means the State of California.

"Subcontractor" means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof, and any related interest, penalties, or additions to tax.

“Temporary Roll-Off Box” means a Container rented by a Customer by the week or month for a temporary period or specific project such as yard clean-up or remodeling, provided, however, that Temporary Roll-Off Box does not include Containers used by a Customer for regularly scheduled collection services.

“Tier One Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Supermarket, Grocery Store with a total facility size equal to or greater than 10,000 square feet, Food Service Provider, Food Distributor, or Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generators” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: Restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet, Hotel with an on-site food facility and 200 or more rooms, Health facility with an on-site food facility and 100 or more beds, Large Venue, Large Event, a State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet, or a local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds, or its metric equivalent.

“Transfer” means the act of transferring Discarded Materials Collected by Contractor from Contractor’s Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

“Transfer Station” means a Facility that receives Discarded Materials from Collection vehicles and transfers that material to larger vehicles for transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Solid Waste to landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers or end-users.

“Transformation” means incineration of solid waste to produce heat or electricity. Transformation includes incineration, pyrolysis, or distillation. Transformation does not include composting, gasification, or biomass conversion.

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

“Uncontrollable Circumstance” means only one or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the approved Processing Facility, the Designated Disposal Facility, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of the Franchisee to perform any obligation under the Franchise (except for payment obligations), if such act, event, or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Franchisee; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the

Franchisee:

- (1) An act of God, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, pandemic, or epidemic;
- (2) A Change in Law (as defined herein);
- (3) Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- (4) The first twenty-one (21) days of a strike, work stoppage, or other labor dispute or disturbance occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services, provided that the Franchisee has implemented a contingency plan satisfactory to the Director.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- (a) General economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- (b) Changes in the financial condition of the County, the Franchisee, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- (c) The consequences of errors, neglect, or omission by the Franchisee, any of its Affiliates, or any Subcontractor of any tier in the performance of the Franchise Services;
- (d) The failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- (e) Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services;
- (f) Any strikes, work stoppages, or other labor disputes or disturbances occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services and which last beyond twenty-one (21) days;
- (g) Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- (h) Vehicle or equipment failure; or
- (i) Any impact of prevailing wage law, customs, or practices on the Franchisee's construction or operating costs.

“Vehicle” means any truck, rolling stock, or other vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means the Waste Disposal Agreement dated April 28, 2016, between the County and Franchisee regarding the delivery of Solid Waste to the County Disposal System.

SECTION 1.2. INTERPRETATION. In this Franchise Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms refer to this Franchise upon execution, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution of this Franchise Agreement.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Headings. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction, or effect.

(D) Entire Franchise. This Franchise Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Franchise, provided that nothing in this Franchise is intended to supersede the obligations of the parties to the Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with the Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Franchise is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(E) Reference to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

(F) Units of Measure. Weights or volumes described herein may be reported in either metric or U.S. standard terms of measurement, unless state or federal law or regulation specifies the system of measurement to be used.

(G) Counterparts. This Franchise Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Choice of Law. This Franchise Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of laws provisions. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

(I) Interpretation. This Franchise Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in

executing this Franchise Agreement by any other Party hereto or by any person representing them, or both. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Franchise Agreement.

(J) Severability. If any clause, provision, subsection, Section, or Article of this Franchise Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Franchise Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Franchise Agreement shall be construed and enforced as if such invalid portion did not exist.

Notwithstanding the foregoing, however, the provisions of this Franchise Agreement reserving to the County the right and power to enter into a Franchise Agreement or to designate the Designated Disposal Facility shall not be deemed to be severable from the other provisions hereof. In the event such provisions are held in any Legal Proceeding which is binding upon the County to be null, void, in excess of the County's powers, or otherwise invalid or unenforceable, and the Franchisee as a result thereof utilizes a disposal facility other than the Designated Disposal Facility for Solid Waste, this entire Franchise Agreement shall immediately terminate without any liability by the County to the Franchisee. So long as the Franchisee continues to utilize the Designated Disposal Facility, the County's right to terminate this Franchise under this subsection 1.2.(J) shall not arise.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES. The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

(A) Existence and Powers. The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.

(B) Due Authorization and Binding Obligation. The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.

(D) No Litigation. There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

ARTICLE 3: GRANT OF FRANCHISE

SECTION 3.1. GRANT OF FRANCHISE AND EXCLUSIONS. Effective from the Franchise Date through June 30, 2031, the Franchise Agreement granted herein shall be exclusive for all Discarded Materials within the Franchise Area 9, as set forth in Appendix 1-A and 1-B.

Franchisee understands that in accordance with Orange County Code, Section 4-3-56, the Franchise Areas of the County, including but not limited to Franchise Area 9, are designated by resolution of the County Board of Supervisors and may be modified by the Board of Supervisors from time to time. In the event of such a modification, the County will provide Franchisee with sixty (60) days' written notice before such modification is affected. If and to the extent of a modification of Franchise Area 9 in accordance with Orange County Code, Section 4-3-56, the Parties agree that such Franchise Area 9, as set forth in Appendix 1-A, shall be modified without the need for approval by each Party to match the modification approved by the Board of Supervisors. Franchisee agrees to continue full and complete performance of all provisions of this Franchise in accordance with the modified Franchise Area.

Notwithstanding anything to the contrary in this Franchise Agreement, Franchisee shall have no Franchise rights for:

(A) Collection of Recyclable Materials from Residential or Commercial Premises, with the permission of the Owner or Generator, provided that the collector and hauler thereof:

(1) Receives no consideration from the person or entity who donated such Recyclable Materials; or

(2) Provides compensation net of collecting, hauling and processing costs, to the Owner or Generator in exchange for Recyclable Materials.

In order to determine the applicability of Section 3.1(A), transactions in which haulers or collectors (other than the Franchisee) would receive compensation from the Owners or Generators (i.e., the collection of solid waste or Recyclable Materials) shall not be combined with transactions in which such haulers or collectors would provide compensation to the Owners or Generators (i.e., the purchase by the hauler or collector of Recyclable Materials); each such transaction shall be considered independently to determine whether to exclude it from the grant of the Franchise pursuant to Section 3.1(A).

(B) Non-Container hauling services incidental to other services to be performed at the premises of a Customer by businesses such as gardeners, landscapers, or tree services.

(C) Non-Container hauling services provided on an irregular and *ad hoc* basis by Bulky Waste haulers.

(D) Hauling of Construction and Demolition Waste accumulated in a Temporary Roll-Off Box when such accumulation and hauling is incidental to a project of limited duration on the site.

(E) Hauling of Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Self-Hauled Waste or abandoned and discarded Bulky Waste collection in public areas.

(F) Except as may be subsequently required by Applicable Law, nothing in this Section is intended to limit the lawful donation or sale of recyclable materials which are not Discarded Materials by the Owner or Generator of such materials to any properly-licensed entity.

(G) Edible Food that is collected from a Generator by other Person(s) such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s) such as the location of a Food Recovery Organization, for the purposes of Food Recovery regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the edible Food from the Generator.

(H) The hauling of byproducts from the processing of food and beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(I) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

SECTION 3.2. TERM OF FRANCHISE AGREEMENT. The initial term of this Franchise Agreement is from July 1, 2021, through June 30, 2031. The County and Franchisee may, by mutual agreement, extend the term of the agreement for an additional five (5) years at the end of the initial term. The extension must be agreed upon by both parties prior to January 1, 2030.

SECTION 3.3. FRANCHISE FEE. The County has established a Franchise Fee equal to \$300,000 for each year, or portion thereof, during the entire Term of this Agreement, adjusted annually using the method below. This fee will be split among all Franchise Areas. The Franchise Fee is split 50% based on Residential services and 50% based on Commercial services. The Residential Franchise Fee for each Franchise Area is determined by the number of subscribers in each Franchise Area as a percentage of total subscribers across all Franchise Areas. The Commercial Franchise Fee for each Franchise Area is based on the percentage of each Franchisee's annual Gross Receipts that makeup the total annual Gross Receipts for all Franchise Areas. For purposes of this section, Multi-Family Customers who receive Cart service shall be considered Residential subscribers and Multi-Family Customers who receive Bin service shall be considered Commercial. Franchisee must provide annual Gross Receipt information and Residential Subscriber information within forty-five (45) days following the end of each contract year term. County will provide the total amount due for each Franchisee within forty-five (45) days of receiving all annual Gross Receipt information. Franchisee will have forty-five (45) days to pay County their portion of the Franchise Fee after receiving the amount due from the County. Should any such due date fall on a weekend, Holiday, or other day in which the County's business offices are closed, payment shall be due on the first day thereafter in which the County's business offices are open. Franchise Fees shall be accompanied by a statement certified by an officer of Franchisee attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to County.

Each July 1, after the first year of the Franchise Agreement, the Franchise Fee will be adjusted by the percentage increase (if any) in the Consumer Price Index, for All Urban Consumers (CPI-U), not seasonally adjusted, all items in Los Angeles - Long Beach - Anaheim, CA (CUURS49ASA0) (if this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place) as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI-U between each month during the prior contract year term (July-June) period immediately preceding the date of the rate adjustment and the same month in the preceding year. No CPI adjustment shall be negative. No CPI adjustment shall be greater than four percent (4%).

SECTION 3.4. ASSIGNMENT AND TRANSFER OF FRANCHISE. This Franchise Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part,

nor shall title hereto or thereto, either legal or equitable, or any right, interest, or property herein or therein, pass to or vest in any person, except the Franchisee, either by action or inaction of the Franchisee, or by operation of law (each a “Transfer”), without the prior written consent of the County Board of Supervisors, which may be withheld or delayed in its sole and absolute discretion, and without the payment by the Franchisee or the successor in interest of a transfer charge equal to 1% of Gross Revenues times the number of years remaining in the Franchise. This fee shall not apply to the Transfers of an affiliate of Franchisee. The Franchisee shall provide advance written notice of any request to assign or transfer this Franchise, and shall provide the County with any information requested by the County in connection with the proposed transfer. The County shall respond to any such request within one hundred twenty (120) days after receipt of any information requested by the County pursuant to the preceding sentence. The Franchisee acknowledges that, prior to approving such a transfer, the County must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Franchisee to effectuate any of the foregoing without such consent of the County shall be null and void, and any effectuation of any of the foregoing without such consent of the County shall constitute an Event of Default resulting in the immediate termination of this Franchise as provided in Section 11.1(A) hereof.

(A) Imposition of Conditions. The County may impose conditions and restrictions on any approval it may elect to give of any transactions described in this Franchise, including without limitation conditions on payment of any costs set forth in Section 3.5, and amendments to this Franchise.

(B) Maintenance of Corporate Existence. The Franchisee covenants that, during the term of this Franchise, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not take any other action which would materially impair the ability of the Franchisee to perform the Franchise Services. Failure to comply with this Section will constitute an Event of Default. The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury.

(C) Consolidation, Merger, Sale, Transfer and Change in Control. Consolidation or merger of the Franchisee with or into another entity shall constitute an assignment of this Franchise and any such assignment requires written approval of the Director, which may be withheld or delayed in its sole and absolute discretion.

SECTION 3.5. PAYMENT OF COSTS OF REVIEW BY FRANCHISEE. If the Franchisee requests the consent of the County for any transaction described in Section 3.4 hereof, the Franchisee shall reimburse the County for all reasonable costs and expenses incurred by the County in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the County and consultants’ and attorneys’ fees and expenses. Bills shall be supported with evidence of the expense or cost incurred. The Franchisee shall pay such bills within thirty (30) days of receipt.

SECTION 3.6. COUNTY’S RIGHT TO DIRECT CHANGES.

(A) General. County may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which County may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase, as set forth in Sections 3.6(B) and 3.6(C). County may utilize cost components included in the Franchisee’s Proposal in calculating equitable rate adjustments. If County and Franchisee cannot agree on compensation for new or additional services, then County may contract with other parties for such services, which shall be considered exempt from the

exclusivity provisions of Section 3.1.

(B) New Diversion Programs. Franchisee shall present, within sixty (60) days of a request to do so by County, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- (1) Collection methodology to be employed (equipment, manpower, etc.).
- (2) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- (3) Labor requirements (number of employees by classification).
- (4) Type(s) of Containers to be utilized.
- (5) Type(s) of material to be Collected.
- (6) Provision for program publicity/education/marketing.
- (7) Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- (8) Any other information reasonably requested by the County.

(C) County's Right to Acquire Services. Franchisee acknowledges and agrees that County may permit other Persons besides Franchisee to provide additional Discarded Material Collection services not otherwise contemplated under this Agreement. If pursuant to Sections 3.6(A) and 3.6(B), Franchisee and County cannot agree on terms and conditions of such services within ninety (90) days from the date when County first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that County may permit Persons other than Franchisee to provide such services.

ARTICLE 4: COLLECTION SERVICES

SECTION 4.1. GENERAL SERVICES.

(A) Overall Performance Obligations. The scope of services to be performed by Franchisee pursuant to this Agreement shall include furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of the Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Franchisee of the duty to furnish all others, as may be required, whether enumerated or not. The scope of services to be performed by Franchisee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of the requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in the Agreement or not. Franchisee shall not knowingly Collect Containers that include Prohibited Container Contaminants.

(B) Collection Data. The Franchisee shall maintain on file at its business premises documentation setting forth its Routing and Collection System; a list of all Franchise Premises in the Franchise Area, organized alphabetically or by address; and the classification of service each receives. This information shall be updated and provided without cost to the County upon request. Customer specific records are subject to audit, inspection, and copying by the County during regular business hours with reasonable advance notice.

(C) Bulky Waste Collections from Residential Premises. If the Franchise Premises include Residential Premises, the Franchisee shall collect and remove Bulky Waste generated at any Residential Premises upon the request of any Customer. Such collection shall occur within seven (7) days of such request. The Franchisee shall provide the first three (3) Bulky Waste Collections in each calendar year free of charge, provided that the number of items collected and so removed does not exceed four (4) for each of the three (3) free Bulky Waste Collections. For any such pickups in excess of the first three (3), the Franchisee shall be entitled to receive compensation from the Customer at a rate as set forth in Appendix 2-A. Multi-Family Dwelling residents shall receive individual notification of the availability of Bulky Waste Collection on a quarterly basis. Each individual Multi-Family Dwelling is entitled to the same service as other Customers, and Franchisee shall provide Bulky Waste service upon request from Multi-Family Dwelling residents, without requiring the property manager or other person named on the Multi-Family Dwelling account to place the order.

(D) Bulky Waste Diversion. Bulky Waste collected by Franchisee, in accordance with this Franchise, may not be delivered to a Designated Disposal Facility until the following hierarchy of diversion efforts has been followed by Franchisee:

- (1) Reuse as is
- (2) Disassemble for reuse or Recycling
- (3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- (4) Transport Organic Waste to the Approved Organic Waste Processing Facility for Processing

(5) Transport Paper Products to the Approved Source Separated Recyclable Materials Processing Facility for Processing

(6) Disposal

Organic Waste collected in the Bulky Item Program must be handled in accordance with SB 1383 Regulations and the Organic Waste Processing requirements of this Agreement.

(E) Annual Community Neighborhood Cleanup Event. Franchisee shall supply one (1) forty (40) yard roll off box per fifty (50) residential customers, not to exceed fifty (50) Bins in Franchise Area per Contract Year, at no additional charge to the County, for County-sponsored neighborhood cleanups. Each cleanup event will last for one day only. Franchisee and County will coordinate the dates and timing of cleanup event or events. Organic Waste collected during these events must be handled in accordance with SB 1383 Regulations and all applicable Organic Waste Processing requirements of this Agreement. Material Collected must be Source Separated and handled in accordance with the Processing requirements of this Agreement or sent to a High Diversion Organic Waste Processing Facility if materials are collected comingled as Mixed Waste.

(F) Disposal of Electronic Waste. Electronic Waste, or “e-waste,” collected by Franchisee in accordance with this Agreement shall not be delivered to a Designated Disposal Facility but shall be diverted by taking this waste to a properly permitted Facility.

(G) Holiday Trees. The Franchisee shall collect all Holiday trees discarded by any Franchise Premises (Including Multiple-Family Dwellings) at the Franchise Premises on the first three (3) regularly scheduled collection days after Christmas Day, or such other days as agreed by the Director and the Franchisee, free of any additional charge to any Customer. Trees over six (6) foot in length must be cut in half by the Customer before being placed out for collection. All tinsel and garland must be removed by the Customer prior to Franchisee pick up. Franchisee shall Transport all Collected Holiday trees to the Approved Organic Waste Processing Facility for Processing. If Holiday trees are placed at the curb for Collection after the agreed upon timeframe, Franchisee may require the Customer to use a bulky item pickup.

(H) Manure. The Franchisee shall collect all horse manure properly discarded at any Franchise Premises. The terms of such Collection services shall be according to the Rate defined in Appendix 2-C.

(I) Special Services. The Franchisee shall have the right, but not the obligation, to provide additional Special Services requested by any Customer which are directly related or ancillary to any of the other Franchise Services authorized hereunder. The nature and terms of any such Special Services shall be negotiated directly with the Customer and compensation therefore shall be paid by the requesting Customer at rates negotiated with the Customer. In the event the Director determines that the rates set by the Franchisee for such Special Services are inappropriate, the Franchisee shall provide the Director with information supporting the level of rate proposed by the Franchisee. Upon receipt and review of such information, the Director may set the rate, which shall become binding on the Franchisee. Notwithstanding the foregoing, the County agrees to adjust the rates for Special Services to reflect any fees or taxes which may be imposed from time to time by the County with respect to such services.

(J) Contract Administrator. The County and the Franchisee each shall designate in writing on or immediately following the Franchise Date a person to transmit instructions, receive information, and otherwise coordinate service matters arising pursuant to this Franchise (“Contract Administrator”). The County's Contract Administrator initially shall be the Director. Either Party may designate a successor or

substitute Contract Administrator at any time by written notice to the other Party.

(K) Cart Overage. Customers may periodically generate more Solid Waste than will fit in the Refuse Cart(s). Customers may contact Franchisee to have extra waste Collected as a Bulky item pickup under Section 4.1(C). Items left adjacent to Carts on regularly scheduled Collection days that have not been scheduled as a Bulky Item pickup, shall be counted as a Bulky Item pickup as described in Section 4.1(C). Franchisee to Collect items and leave a notice on Customer's Refuse Cart notifying the Customer of the proper procedures to schedule a Bulky Item pickup. Franchisee may request that Customers who regularly generate more waste than will fit in their Cart pay for a second Refuse Cart. County will make final determination in event of dispute.

(L) Hauler Route Audit. In addition to other rights of County set forth herein, annually, Franchisee shall conduct an audit of its collection routes in the Franchise Area serviced by Franchisee under this Franchise. The Director shall have the right to select which audit date best serves its needs. In setting these audit dates, the Director shall establish due dates for Franchisee providing routing and account information, and later, the report, to County. Franchisee must complete the route audit within thirty (30) days.

The route audit shall include all matters reasonably requested by the Director, at minimum, the audit shall consist of a written report of an independent physical observation by person(s) other than the route driver of each Customer in the Franchise Area, and, in addition, shall include the following information for each Customer:

For Single-Family and Multi Family Customers:

- Route Number;
- Account Name;
- Account Service Address;
- Route Sequence;
- Number of Residential Customers;
- Breakdown of Single-Family and Multi-Family Dwellings;
- Container Conditions;
- Proper Container color and signage; and,
- Number of Extra Carts (by type of waste stream).

For Commercial Customers:

- Route Number;
- Route Sequence;
- Account Name;
- Account Number;
- Account Service Address;

- Service Level per County Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Container Conditions;
- Proper Container color and signage; and,
- Observed Containers (Quantity and Size).

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to County a written report summarizing the results of the audit. This report shall include:

- Identification of the routes;
- Route map;
- Route Sequences;
- Number of accounts, by route and in total (Residential and Commercial);
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly service charge (Residential and Commercial).

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of any exceptions and the Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by County or its representative.

Information in route audits shall become County property and may be used by to develop a Request for Proposals (RFP) for a new service provider or for other purposes. County may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of an RFP or for other County uses. County may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer Service information for a new service provider to use in establishing service with Customers.

SECTION 4.2. DISCARDED MATERIALS COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) Collection Routes and Frequency. The Franchisee shall collect Discarded Materials from the Franchise Premises. The Franchisee shall establish and maintain collection routes in such manner as to provide for the uniform and efficient collection of Discarded Materials from all Franchise Premises on a Monday-through-Friday basis, and on a Monday-through-Saturday basis for Commercial accounts (except for those customers receiving seven (7) days a week service). Sunday service may also be authorized by the Director. Discarded Materials, as defined herein, shall be collected at least one (1) time per week, except that the Franchisee may provide a higher level of service or, as requested by Customer, more frequent collections as a Special Service. Source Separated Recyclable Materials and Source Separated Organic Waste (if applicable) shall be collected at least one (1) time per week.

The Franchisee shall not commingle Franchise collection routes with City waste routes, provided, however, that if it is unfeasible for the Franchisee to keep collection routes separate from City waste routes, then the Franchisee, upon approval by the Director or County Contract Administrator, may commingle collection routes with City waste routes. If the routes are commingled, the Franchisee shall submit to the Contract Administrator a detailed monthly report setting forth the breakdown of tonnage collected from the commingled routes, regarding all jurisdictions within the Franchise Area within thirty (30) days after the end of each month.

(B) Regular Hours of Service. The Franchisee shall schedule no collections or pre-collection activities, including but not limited to staging or queuing of waste collection vehicles, in or near any Residential Premises or Commercial Premises on any day earlier than 7:00 a.m., or later than 7:00 p.m., provided, however, that the Director may change the collection time as required by the needs of the Customers or the Franchisee.

(C) Emergency Service. Collections of Solid Waste necessitated by an emergency which the Director determines is a threat to public health and safety within the Franchise Area will be made by the Franchisee at the direction of the Director. Such Emergency Services may be required outside of the regular collection hours and schedule. To the extent reasonable, and at the request of the Director, the Franchisee will also provide Emergency Services to other unincorporated areas of the County. If the Director requests the Franchisee to provide Emergency Services when another Franchisee fails to provide services required by this Franchise, the Franchisee will use the Franchisee's good faith best efforts to respond to such a request. When directed to provide Emergency Services, Franchisee shall be reimbursed for its reasonable costs in providing such services, or in accordance with another payment arrangement as agreed upon between the Director and the Franchisee. In the event of a natural disaster or declared emergency, Franchisee shall be reimbursed for its reasonable costs in providing such emergency services by the County or other public agency, separate and apart from the rates for Franchise Services provided for under this Franchise

(D) Noise Levels. The Franchisee shall perform the Franchise Services in a manner which is in compliance with the County of Orange Ordinance Title 8, Chapter 8.24.

(E) Holidays. Collection of Discarded Materials shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Director. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers upon the initiation of service and at least twice annually. Collection shall not be rescheduled when the holiday falls on a Sunday, unless otherwise agreed to by the County and the Franchisee. Holidays will not count towards any response time requirements placed on the Franchisee. Commercial Service Customers that subscribe to seven-day-per-week collection shall receive collection on the holiday and such service shall not be rescheduled.

SECTION 4.3. CONTAINERS.

(A) County Regulations. The Director shall approve the number, type, size, color, labels, and other specific physical requirements for Containers if different than those set forth in Appendix 1-C. The Franchisee shall not be required to collect Discarded Materials from Containers which have not been approved by the Director.

(B) General Requirements. After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner that prevents damage or spillage and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container

damaged by the Franchisee within five (5) days.

(C) Containers for Single-Family Dwelling Residential Premises. The Franchisee shall supply each Single-Family Dwelling with Containers, which conform to the specifications set forth in Appendix 1-C. The Franchisee shall maintain the Containers in good repair, shall bear the cost of normal wear and tear, and shall replace the Containers as needed. The Franchisee may charge a fee to Customers for whom Containers must be repaired or replaced due to other than normal wear and tear and will notify the Director if such fee has been charged. If repair requires removal of the Container from a Customer's premises, the Franchisee shall supply the Customer with a replacement Container or loaner Container. The Franchisee shall, within seven (7) working days, repair or replace stolen, damaged or dilapidated Containers. The Franchisee shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets.

(D) Containers for Multi-Family Dwelling Residential Premises and Commercial Premises. The Franchisee shall supply each Multi-Family Dwelling and Commercial Premises with one or more Bin or Cart for Solid Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. The size of the Containers supplied to any particular Multi-Family Dwelling and Commercial Premises shall correspond to the service level chosen by such Multi-Family Dwelling and Commercial Premises, provided that the Containers shall also conform to the specifications set forth in Appendix 1-C. The Franchisee shall provide, as an Operating Asset, the Bin required pursuant to this Section at its own cost and expense. At the request of the customer, all Bins shall be cleaned or replaced at a minimum of once a year free of charge. At the Customer's request, Bins may be cleaned or replaced more frequently at a Rate as set forth in Appendix 2-C. Each Bin shall be identified with the Franchisee's name and phone number and be equipped with heavy-duty casters and closeable lids. Each Bin shall be in accordance with current industry standards. The Franchisee shall be responsible for the general maintenance and repair of Bins so provided, and shall institute and maintain an effective program to repair, steam clean, and repaint all such Containers as needed, and shall provide an equivalent Bin as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Franchisee may charge the Customer an amount approved by the Director, to compensate for the cost thereof. The Franchisee shall, within seven (7) working days, repair or replace any stolen, damaged or dilapidated Bin.

(E) Ownership of Containers. All Containers for Solid Waste, Recyclable Materials and Source Separated Organic Waste provided by the Franchisee to Customers in accordance with this Franchise Agreement shall remain the property of the Franchisee.

(F) Container Compliance with SB 1383. All Containers for Solid Waste, Recyclable Materials and Organic Waste provided by the Franchisee must meet all requirements required by SB 1383 Regulations and any subsequent laws or regulations.

SECTION 4.4. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up: Avoiding Damage to Property. The Franchisee shall cause all spills of Discarded Materials occurring during the collection process to be cleaned up immediately. The Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Hazardous Waste. The Franchisee acknowledges its obligation to arrange for the disposal of Hazardous Waste which inadvertently comes into its possession or control. The Franchisee agrees to establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream, including, but not limited to, the training of personnel, and to revise such practices as necessary to reflect prudent waste screening considered to be good practice in the Solid Waste collection and disposal

industry at the time. In no event will Franchisee dispose or attempt to dispose of any of the following in the County Disposal System: Hazardous Waste; hazardous substances; medical waste; explosives, ordinance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities and separated from Discarded Materials); drums and closed Containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the County Disposal System is prohibited from receiving under Applicable Law.

(C) Employees; Uniform. The Franchisee shall take all steps necessary to ensure that its employees performing collection services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in clean uniforms with suitable identification. No employee may remove any portion of their uniform while working.

(D) Improper Loading of Containers. The Franchisee may decline to collect any Discarded Materials that has one or more of the following characteristics:

- (1) Has not been properly loaded into Containers;
- (2) Has been overloaded in Containers by weight or volume, as compared to industry standards provided by the Franchisee and acceptable to the Director;
- (3) Has been compacted in a manner such that Discarded Materials will not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down; or
- (4) Has been loaded or left for collection in any manner which would prohibit its safe collection.

(E) Record of Non-Collection. When any Discarded Material left for collection is not collected by the Franchisee, the Franchisee shall provide a non-Collection notice to the Customer. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer corrects the issue, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers. The Franchisee shall maintain, at its place of business, a logbook listing all such circumstances in which collection is denied. The logbook shall contain the names and/or addresses of the Franchise Premises involved, the date and time of such tagging, the reason for non-Collection, and the date and manner of disposition of each case. The logbook shall be kept so that it may be conveniently inspected by the Director or County Contract Administrator upon request. The log relating to any particular tagging shall be retained for a period of three (3) years following such tagging. Franchisee may record such transactions on digital cameras or other electronic equipment as feasible. Franchisee shall send a report of all information in the logbook to the County on an annual basis. Franchisee may return for Collection and charge for an extra Collection service event ("extra pick-up") per Section 5.6(B)(6).

(F) Discarded Household Hazardous Waste. If the Franchisee finds what reasonably appears to be

Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Franchisee, in addition to the procedure outlined in the previous paragraph, shall either:

- (1) Notify the Owner or Generator, if such can be determined, that the Franchisee may not lawfully collect such waste and leave a tag specifying the nearest location available for such appropriate disposal, or
- (2) Follow such other procedure as the Director approves.

In the event of a threat to public health and safety, the Franchisee shall immediately call “911” or make other emergency contact with the local police or fire agency. The Franchisee shall thereafter provide a written report to the Director within one (1) day of such incident.

(G) Fees and Gratuities. The Franchisee shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to request, solicit, or demand, either directly or indirectly, any compensation for the collection of Discarded Materials or other Franchise Services, except such compensation as is specifically provided for herein.

SECTION 4.5. COLLECTION LOCATIONS.

(A) General. The Franchisee shall be responsible for the collection of all Discarded materials placed for collection in a legal manner as required or permitted under this Franchise. The Franchisee shall immediately notify the Director of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem. Upon authorization by the Director, the Franchisee shall discontinue collection for any such location until the safety hazard or accessibility problem is corrected or make alternative collection efforts if reasonably feasible.

(B) Enclosures. Where the Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location of such enclosures, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Franchisee. Franchisee is not responsible for normal wear-and-tear of the enclosure. The Director shall resolve any disputes relating to such damage, and the Franchisee agrees to abide by such decision.

SECTION 4.6. MULTI-FAMILY DWELLING AND COMMERCIAL SOURCE SEPARATED RECYCLABLE MATERIALS COLLECTION. Franchisee shall provide Recycling collection service to all Customers at Multi-Family Dwelling and Commercial Premises at no additional charge using a Container type mutually agreed upon by the Franchisee and the Customer and in accordance with this agreement. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Recyclable Materials shall be collected. Franchisee shall have a Recycling program whereby it, at a minimum, collects the following Recyclable Materials in Recycling Containers from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, newspaper, mixed paper (including, but not limited to, colored paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes. Franchisee also agrees to make programs available for all other materials for which it has established markets. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Approved Transfer Facility for Transfer or directly Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified

in Appendix 1-E.

Franchisee shall visit all new Customers within two weeks of the start of new service and maintain records of such visits. Franchisee shall continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize recycling programs for each Customer. A list of new account and ongoing account visits, including all information required above, shall be provided, within thirty (30) days, to the County upon request.

SECTION 4.7. MULTI-FAMILY DWELLING AND COMMERCIAL ORGANIC WASTE COLLECTION. Franchisee shall provide a Green Container or Bin to all Customers at Multi-Family Dwelling and Commercial Premises using a Container type mutually agreed upon by the Franchisee and the Customer. All Containers and Bins provided must comply with this Agreement and be approved by the County. Customer and Franchisee shall mutually agree upon an on-site location at which all Source Separated Green Container Organic Waste shall be collected. The cost of the box or Bin shall be in accordance with the approved rate schedule. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Appendix 1-E.

SECTION 4.8. SINGLE-FAMILY SOURCE SEPARATED RECYCLABLE MATERIAL COLLECTION. Franchisee shall provide Single-Family Customers with a container for collection of Source Separated Recyclable Materials. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. Franchisee shall Transport the Source Separated Recyclable Materials to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.9. SINGLE-FAMILY ORGANIC WASTE COLLECTION. Franchisee shall provide Single-Family Customers with a Container for collection of Source Separated Green Container Organic Waste. Containers must comply with the requirements in Appendix 1-C. Acceptable materials are listed in Appendix 1-D. A Food Waste Recycling program must be provided by the Franchisee to Customers no later than January 1, 2022. Franchisee shall Transport the Source Separated Green Container Organic Waste to the Designated/Approved Transfer Facility for Transfer and Transport to the Approved/Designated Organic Waste Processing Facility, as specified in Appendix 1-E.

Customers may request a second cart, for an additional charge per cart, in accordance with the approved rate schedule (Appendix 2-A).

SECTION 4.10. OTHER WASTES. The Parties acknowledge that this Franchise Agreement is granted only with respect to the Franchise Services and does not include the collection, transportation, processing, or disposal of Hazardous Waste, Medical Waste, Liquid Waste, or Construction and Demolition Waste. If the Franchisee elects to provide any such services with respect to Hazardous Waste, Medical Waste, Liquid Waste or any other waste regulated by the Department of Toxic Substances Control, such haulage shall be done pursuant to a separate agreement, by a separate legal entity separately insured and liable, and according to Applicable Law. The Parties further acknowledge that the provision by the Franchisee of any services not specifically included within the Franchise are excluded from the protection of this Franchise and may be the subject of competition among any and all legally authorized

haulers.

SECTION 4.11. INTEGRATED WASTE MANAGEMENT ACT (AB 939) COMPLIANCE. The Franchisee shall provide on a monthly basis all necessary reporting data requested by the County relating to the County's compliance requirements pertaining to AB 939 (as amended hereafter) as it affects the County's Integrated Waste Management Plan. Such report shall be provided to the County within thirty (30) days after the end of each month. The Franchisee shall cooperate in activities requested by the County to measure diversion of Solid Waste from landfills including, but not limited to, providing a location for conducting waste sorting at the Franchisee's facilities, re-routing trucks on a temporary basis to facilitate composition analysis.

The County reserves the right to institute a fee for its costs directly attributable to County compliance with the Integrated Waste Management Act of 1989 (AB 939) as it may be amended or superseded. If instituted, the County may direct that such a fee be collected as a "pass through" to the Franchisee's customers within the Franchise Area.

SECTION 4.12. SELF-HAUL OPT-OUT. Notwithstanding any provision to the contrary herein, a Customer, or potential Customer within the Franchise Area may opt-out of services provided under this Franchise, provided that such Customer or potential Customer demonstrates to the satisfaction of the Director that it personally collects all Discarded Materials generated at the premises, removes and conveys such Solid Waste without littering the streets and disposes of such Solid Waste at a fully permitted disposal facility. Self-Haulers must source-separate all Organic Waste generated on site and recycle those materials or take Organic Waste to a High Diversion Organic Waste Processing Facility. Any Customer or potential Customer who opts-out of service must still abide by all applicable laws and regulations, including but not limited to those included for Self-Haulers in SB 1383 and AB 901. The Franchisee shall survey, track, and report to the County, on an annual basis, Generators who opt out of service and provide the County with information on what alternative services those Generators are utilizing to ensure compliance with all laws and regulations.

SECTION 4.13. COUNTY DESIGNATION OF FACILITIES. Franchisee agrees that the Board of Supervisors or Director may, upon making a finding of public health, safety, well-being, or benefit, direct Franchisee to deliver any or all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste Collected within the County to any type of Designated Facility, as County may designate. Such a change shall be considered a County-directed change in scope and handled in accordance with provisions in Section 4.4. The Residual remaining after Processing, or recovery of Source Separated Recyclable Materials, and SSGCOW shall be subject to the Board of Supervisors authority to direct Disposal at a Disposal Facility designated by the Board of Supervisors. County shall reserve the right to direct such Residual in accordance with the Board of Supervisor's direction in any agreement with the Facility operator of any Transfer Facility or Processing facility where Franchisee delivers Source Separated recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste. Franchisee agrees to Transport Discarded Materials to the Designated Facility(ies) designated by the Director, commencing no later than fourteen (14) days from the date on which the Franchisee and Director agreed upon a rate adjustment for any such change of designated facility in accordance with Section 10.2.

(A) Designated Facility – Disposal. The Franchisee, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Facility for the purposes of Disposal of all Gray Container Waste Collected by the Franchisee under the terms of this Agreement. Such decision by Franchisee in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definitions thereof. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.1.

ARTICLE 5: PROCESSING AND TRANSFER

SECTION 5.1. PROCESSING AND TRANSFER ARRANGEMENTS. The Franchisee shall make its own processing and transfer arrangements, so long as such arrangements are in full compliance with Applicable Law, subject to the following conditions:

The Director may order the Franchisee to modify or terminate its processing and/or transfer arrangements if:

- (1) The Director determines that such arrangements threaten public health or safety, or
- (2) The Director determines that the County is not adequately protected from liability for the activities of the processing or transfer entities, or
- (3) The Director determines that the diversion levels of the particular facility is commercially unreasonable, or
- (4) The Director determines that a lower cost solution is available that would benefit the rate payers, or
- (5) The Franchisee is disposing of Recovered Materials in a manner which does not result in commercially reasonable diversion credit to the County, or
- (6) The Franchisee is not handling Organic Waste and Recyclable Materials in a manner which constitutes a reduction in Landfill Disposal in accordance with SB 1383 Regulations, or
- (7) The Franchisee is otherwise substantially out of compliance with the requirements of SB 1383 Regulations.

SECTION 5.2. RECYCLABLE MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Recyclable Materials to a fully permitted Source Separated Recyclable Processing Facility or a fully permitted Transfer Facility. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as Residual Waste resulting from Processing. The Approved Source Separated Recyclable Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.3. ORGANIC MATERIALS PROCESSING SERVICES. The Franchisee shall deliver all Collected Source Separated Green Container Organic Waste to the Approved Organic Waste Processing Facility. All expenses related to Source Separated Green Container Organic Waste Processing and marketing will be the sole responsibility of the Franchisee. The Franchisee shall ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill, except as a Residue resulting from Processing. The Approved Organic Waste Processing Facility can be found in Appendix 1-E. Franchisee agrees to cooperate with County requests to direct material to specified facilities.

SECTION 5.4. FRANCHISEE'S PROFIT OR LOSS FROM SALE OF RECOVERED MATERIALS. The Franchisee must use its best efforts to sell Recovered Materials. The Franchisee is entitled to all revenues or other consideration derived from its sale of Recovered Materials; conversely, the Franchisee shall bear the entire risk of and have the responsibility of disposing of Recovered Materials.

SECTION 5.5. TITLE TO RECOVERED MATERIALS. As between the Parties, the Franchisee has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the County from any property damage, personal injury, or consequential damages suffered by any person from exposure to or as a result of processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Franchisee shall promptly notify the County of any claim by any person arising out of the marketing, disposal, or reuse of Recovered Materials.

SECTION 5.6. CONTAMINATION MONITORING PROCEDURES. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Inspection Methods.

(1) Option 1. Physical Container Inspections. When Franchisee's Hauler Route personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(2) Option 2. Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in the Container, Contract shall follow the contamination noticing procedures and containing Container handling protocols set forth in Section 5.6(D). If the Franchisee determines that the Container again contains Prohibited Container Contaminants upon the next day of service, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(D).

(3) Option 3. Visual Inspections via Remote Monitoring. Franchisee shall install camera equipment in Containers and use a cloud-based software that will enable the Franchisee to monitor and examine the contents of Containers using digital photographic images obtained from the cameras installed in the Containers. The digital images shall be maintained and accessible for examination through the Franchisee's cloud-based software platform. Franchisee will perform regular and frequent remote monitoring of each Container, automatically, manually, or in combination using the remote monitoring system. The Container monitoring system shall capture digital pictures multiple times each day of the contents of the Container to document and visualize various layers of material in the Container. Capturing multiple digital pictures is necessary to detect Prohibited Container Contaminants through the Container. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocol sets forth in Section 5.6(D).

(B) Actions upon Identification of Prohibited Container Contaminants.

(1) Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container; and maintain photographic evidence. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation in the on-board computer system did not automatically update the Customer's account record. Franchisee must also upload all information related to Prohibited

Container Contaminants into the County's reporting system on at least a monthly basis.

(2) Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container in accordance with Section 5.6(B)(4) and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation in accordance with Section 5.6(B)(1) and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

(3) Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (1) inform the Customer of the observed presence of Prohibited Container Contaminants; (2) include the date and time the Prohibited Container Contaminants were observed; (3) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container; (4) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may issue a non-Collection notice; and (5) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, may deliver the notice by mail, e-mail, text message, or other electronic message. Franchisee shall Collect the contaminated Container and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials and Transport the contaminated materials to the appropriate Approved Facility for Disposal.

(4) Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (1) inform the Customer of the reason(s) for non-Collection; (2) include the date and time the notice was left or issued; (3) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination, and (4) a telephone number at which the Customer may contact the Franchisee. The non-Collection notice shall include photographic evidence of the violation(s). The Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or may be delivered by mail, e-mail, text message, or other electronic message. Franchisee shall submit a sample of its non-Collection notice to the County's Contract Administrator for approval prior to implementing use of it with Customers.

(5) Communications with Customer. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Franchisee shall contact the Customer on the scheduled Collection day or within forty-eight (48) hours of the scheduled Collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants a Customer service representative shall contact the Customer to discuss, and encourage the Customer to adopt proper Discarded materials preparation and separation procedures.

(6) Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices per Section 5.6(B)(4) or Section 4.4(E) within one (1) working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee

notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(C) Disposal of Contaminated Materials. If the Franchisee observes Prohibited Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements in Section 5.6(B) above.

(D) Contamination Monitoring. Hauler must monitor contamination using one of the following methods:

(1) Hauler Route Review Option. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; is conducted in a manner that results in all Hauler Routes being reviewed at a minimum annually; and, complies with the requirements of this Section and meet the requirements of 14 CCR Section 1894.5(b).

Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that the greater of a minimum of five (5) Containers or ten percent (10%) of Containers per container type on each and every Hauler Route are inspected annually. The Containers shall be randomly selected by a method proposed by the Franchisee and approved by the County.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, by shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Administrator may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 5.6(A), 5.6(B), and 5.6(C).

Franchisee shall maintain records and report to the County, using a method prescribed by the

County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

(2) Waste Evaluation Option. Commencing on or before January 1, 2022, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Administrator may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an e-mail notice to the County's Contract Administrator no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within the County's normal business hours, and location(s) for the waste evaluation.

The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the follow manner: Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.

The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, and any other Containers types.

The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.

The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies: a) For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples; b) For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples; c) For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and, d) For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.

The Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol: a) The Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples, b) The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream, c) For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited container Contaminants, d) The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample, e) all weights shall be recorded in pounds, and f) the facility, scales and weighing process used for the study shall meet the standards in Appendix 6.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measure sample for any material stream, Franchisee shall:

- a) Notify the County within fifteen (15) Working Days of the waste evaluation;
- b) Within fifteen (15) Working Days of the waste evaluation, either:
 - 1) Notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the Generators. The format of the warning notice shall be approved by the County; or,
 - 2) Perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.6(A) and 5.6(B), which include protocols for non-Collection and Disposal of contaminated materials.

Franchisee shall maintain records and report to the County, using a method prescribed by the County, monthly on contamination monitoring activities and actions taken, in accordance with Appendix 6.

SECTION 5.7. PROCESSING FACILITY TEMPORARY EQUIPMENT OR OPERATIONAL FAILURE WAIVER.

(A) Notification to the County. The Franchisee, or their Subcontractor (such as a Facility Operator), shall notify the County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved/Designated Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. The Franchisee or Subcontractor shall notify the County as soon as possible and no later than forty-eight (48) hours from the time of the incident. The notification shall include the following: 1) name of Approved/Designated Facility; 2) the Recycling and Disposal Reporting System Number of the Approved/Designated Facility; 3) date the Approved/Designated Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 4) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operation restriction that occurred; 5) the period of time the Franchisee anticipates the temporary inability of the Approved/Designated Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; 6) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Appendix 1-E) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility.

(B) Use of Alternative Facility or Waiver for Disposal of Materials. Upon notification by Franchisee or Subcontractor of an Approved/Designated Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Franchisee to use an Alternative Facility

or allow the Franchisee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated Disposal Facility for Disposal on a temporary basis for a time period specified by the County. Upon County's decision, the County shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the County will allow the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to be redirected to the Alternative Facility or Approved/Designated Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Approved/Designated Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the County Contract Administrator prior to depositing any Discarded Material in a Landfill.

(C) Record Keeping and Reporting. Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to the County in accordance with Appendix 6.

ARTICLE 6: SOLID WASTE DISPOSAL

SECTION 6.1. SOLID WASTE DISPOSAL.

(A) Disposal Generally. The Franchisee shall transport and dispose of all Discarded Materials which it collects but does not divert from landfill disposal at the Designated Disposal Facility in accordance with the requirements of this Franchise Agreement, Applicable Law and with the requirements, rules and regulations of the Director. The Franchisee agrees that it shall not dispose of Hazardous Waste, Medical Waste, Liquid Waste, Source Separated Recyclable Materials, Source Separated Green Container Organic Waste or any other waste not included as County Acceptable Solid Waste at the Designated Disposal Facility, except as may be required in emergencies resulting from Uncontrollable Circumstances with the prior written approval of the Director and in compliance with Section 5.7 and Appendix 1-E.

(B) Designated Disposal Facilities. The Director shall have the right during the Term of the Franchise to determine the Designated Disposal Facility, or multiple concurrent Designated Disposal Facilities, in its sole and absolute discretion. The initial Designated Disposal Facilities shall be any of the Orange County landfills: Olinda Alpha, Frank R. Bowerman or Prima Deshecha. The Director shall notify the Franchisee in writing of any changes in the Designated Disposal Facility. See Appendix 1-E for additional details.

(C) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Director may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise Agreement and shall retain all weight slips or other call information provided to the Franchisee's drivers. See Appendix 6 for additional details.

(D) Payment of Disposal Fees. The Franchisee shall pay, or make arrangements for the payment of, all disposal fees and other transfer, disposal or processing charges imposed by the County or other entity for the disposal or processing of Solid Waste. The Franchisee acknowledges that disposal or processing costs required to be incurred by the Franchisee were taken into account in the determination of the rates established in this Agreement, and the Franchisee shall not be entitled to any additional compensation from the County or from Customers because of variations in disposal or processing costs except to the extent provided in Section 10.3.

(E) Failure to Transport to Designated Disposal Facility. The Franchisee's failure to properly transport, or cause to be transported, Discarded Materials as described herein is an Event of Default, as described in Section 11.1(A) of this Agreement.

(F) Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or to enter into or perform obligations under the Waste Disposal Agreement, (b) the enforceability of the Waste Disposal Agreement described in Section 6.1(G), or (c) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the Designated Disposal Facility in accordance with this Franchise and the "flow control" covenant contained in any proposed or executed Waste Disposal Agreement.

(G) Waste Disposal Agreement. The Franchisee acknowledges that it has entered into a Waste Disposal Agreement with the County (the "Waste Disposal Agreement") and warrants that the Waste Disposal Agreement is in full force and effect as of the date of the Franchise and constitutes a separate and independent obligation of Franchisee with respect to the matters contained therein. Nothing in this Franchise in any way modifies or supersedes the Waste Disposal Agreement.

(H) Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

(I) Transponder Usage. The Franchisee agrees to participate in the Department's transponder program. The Franchisee shall identify a contact person that will coordinate with the County Contract Administrator in order to efficiently administer this program. The Franchisee shall have ninety (90) days from the Effective Date to install transponders on all units in their respective fleets with the exception of compactor bins and roll-off boxes; provided, however, that the County may in its discretion require installation of transponders on compactor bins and roll-off boxes on a case by case basis. The Franchisee shall have thirty (30) days to install transponders on any vehicles purchased after the initial installation period. The Franchisee using sub-contractors or other haulers to transport waste to the Designated Facility(ies) shall require them to participate in the transponder program. For purposes of this section, the Franchisee's "fleet" consists of all vehicles the Franchisee uses to transport Discarded Materials to County owned or operated Facility(ies), including, but not limited to, transfer trucks and trailers.

(J) Communication. If requested by the County, the Franchisee shall meet with the County at least once a month to discuss issues related to the interaction of operations between Franchisee and Facility staff including, but not limited to: Traffic flow, vehicle weighing procedures, Hazardous Waste screening and safety policies, receiving hours, and billing and payment of gate fees for delivery of materials.

(K) Transportation to Non-Approved Facilities Prohibited. If Franchisee Transports Discarded Materials to a facility other than an Approved/Designated Facility or an Alternative Facility without prior County approval, Franchisee's failure to comply may results in assessment of Liquidated Damages pursuant to Section 9.3.

ARTICLE 7: COMPLIANCE

SECTION 7.1. THE FRANCHISEE'S RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE PLAN. The Franchisee will implement the Implementation and Compliance Plan set forth in Appendix 4. The Franchisee will indemnify the County for any judgments or penalties assessed against the County as a result of the failure of the Franchisee to fully implement the Implementation and Compliance Plan. The obligations of the Franchisee to implement the Implementation and Compliance Plan under this Section shall continue irrespective of any modifications to the Public Resources Code or any legal challenges or amendments to the County's SRRE or statutes governing the preparation or implementation thereof.

SECTION 7.2. MINIMUM DIVERSION REQUIREMENTS. Franchisee shall recycle or divert from landfill disposal fifty percent (50%) of all Discarded Materials collected pursuant to this Franchise. Discarded Materials shall only be considered to have been recycled or diverted under this Franchise Agreement if it is considered to be diversion by the CalRecycle in connection with the County's diversion goals as required by AB 939, SB 1383, and AB 1594. Franchisee shall provide documentation to the County on a quarterly basis and within thirty (30) days of the end of the year stating and supporting that calendar year's diversion programs. This documentation shall be accompanied by any diversion fee due per Section 7.3. Diversion from sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Franchise Agreement, or the efforts of self-haulers) shall not be counted as diversion by Franchisee. Notwithstanding anything to the contrary herein, Transformation of Discarded Materials will not be required to meet the minimum diversion requirements under this Section 7.2 of this Agreement.

SECTION 7.3. DIVERSION FEES. The Franchisee shall pay to the County a Diversion Fee for any calendar year, in which the minimum diversion rate of Discarded Materials collected by the Franchisee does not meet or exceed fifty percent (50%) or as otherwise may be required by law; provided that any such fee shall only be assessed against Franchisee by County if Franchisee failed to make a good-faith effort to meet the minimum diversion rate under this agreement. The fee is based upon the diversion rate achieved and the total Residential and Commercial Gross Revenues for the corresponding year, as follows:

Diversion Rate	Diversion Fee as a % of Gross Revenues
0 – 24.9%	5.0%
25% - 29.9%	3.5%
30% - 34.9%	2.0%
35% - 39.9%	1.5%
40% - 44.9%	1.0%
45% - 49.9%	0.5%

Prior to assessing any fee under this Section, County shall provide notice to Franchisee. Upon receipt of such notice, County and Franchisee shall enter into good-faith negotiations to determine whether a fee is appropriate and to discuss and agree upon corrective action measures to be implemented by Franchisee prior to any imposition of fees. Should Franchisee fail to implement the agreed-upon corrective measures, then Franchisee shall pay the fee as set forth in this provision. If due, this fee shall be accompanied by the supporting tonnage data required in Section 7.2 and the Gross Revenues upon which this fee is calculated. If the Diversion Fee is due and not paid on or before the thirtieth (30th) day following the end of the calendar year, then, in addition to any other remedy provided by law, Franchisee shall pay to County a penalty in an amount equal to 1.5% per month, or portion thereof, of the amount owing until paid.

SECTION 7.4. OUTREACH AND EDUCATION PLAN. In order to promote education, Franchisee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(A) Program Objectives. Franchisee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Franchisee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effort of these efforts is to reduce each Generator's reliance on Franchisee-provided Gray Container Waste service and, ultimately, Disposal, and Franchisee agrees to support and not undermine or interfere with such efforts.

(B) Franchisee Cooperation and/or Support for County Educational Efforts. Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County Contract Administrator on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County Contract Administrator on all Franchisee-provided education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Franchisee to modify the education and outreach program at any time.

(C) Annual Education Plan. Annually, Franchisee shall develop and submit an annual publication education plan to promote the programs performed by Franchisee under this Agreement. The plan must be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year. The County has the right to make changes to the education plan. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Franchisee's annual report in accordance with Appendix 6. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education material to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County Contract Administrator shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the County Contract Administrator. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County Contract manager to present and discuss the plan. County Contract Administrator shall be allowed up to thirty (30) days after receipt to review and request modification. The County Contract Administrator may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by the County Contract Administrator. Any further delays may result in Liquidated Damages for failure to perform

education and outreach activities as identified in Section 9.3. Each Business Day that the plan is late shall count as a single event/activity.

(D) Education requirements during Program Implementation/Roll-Out. Beginning on the Effective Date of this Agreement and through January 1, 2023, Franchisee shall conduct an education campaign focused on informing Customers of the Collection program changes that will commence on January 1, 2022. At a minimum, Franchisee shall perform the activities listed below and shall perform these services in a manner that complies with requirements of this Section and 14 CCR, Division 7, Chapter 12, Article 4.

(1) Prepare and distribute an initial mailer to all Customers explaining the change from the existing hauler to the new Franchisee (if applicable), changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, holiday Collection schedules, proper handling and disposal of Household Hazardous Waste, Franchisee's contact information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed, or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.

(2) Prepare a "How-to" flyer describing how to prepare Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste for Collection and describe the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. The flyer should emphasize any new types of Source Separated Recyclable Materials to be included in Blue Containers and the new Food Waste Collection program. Prepare separate flyers for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's website. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than printed version, if specifically requested by the Customer.

(3) Prepare printed signage and posters describing Collection programs and distribute to Multi-Family property managers and Commercial Customers for on-site use.

(4) Prepare an instructional packet identifying key transition dates and verifying the Customer's specific current Service Level, which shall be printed and distributed to each Customer and made available in an electronic format on the Franchisee's website. Franchisee may provide an electronic version rather than a printed version, if requested by the Customer.

(5) Prepare and distribute public service announcements (PSA) for local newspapers.

(6) Meet with up to four (4) business or homeowners associations in separate venues to educate Residential and Commercial Customers on the Collection programs, State requirements (including SB 1383) for the County and Generators; answer questions; and provide service and Rate information.

(7) All education material designed and/or distributed by the Franchisee shall be submitted to the County Contract Administrator for approval prior to distribution or posting on the Franchisee's website.

(E) Annual and Ongoing Education Requirements. Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the Franchise Area a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website.

(F) Billing Inserts. Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic Bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice. Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.

(G) Multi-Family and Commercial Customer Signage. Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

(H) Minimum Website Requirements. Franchisee shall develop and maintain a website (with a unique URL specific to the County) that is specifically dedicated to the Franchise Area to provide Generators with detailed service information. The website or webpage shall be accessible by the public and shall include all education and outreach materials being provided, without requirements for login. Franchisee shall update the website regularly so that information provided is current.

(I) Instructional Service Guide. On or before January 1, 2022, Franchisee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. On or before January 1, 2022, the service guide shall be printed and delivered annually to all Generators. Franchisee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food generators. Franchisee shall, at its sole expense, revise, re-print, and redistribute service guides once every two (2) years or at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Franchisee shall make the service guide available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

(J) Annual Multi-Family Dwelling Unit Notices. Prior to the Commencement Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than January 1, 2022, Franchisee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Dwelling Premises serviced by Franchisee. The annual notices shall be a minimum of four (4) pages (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials (including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements

through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

(K) Provision of Educational Materials to Non-Compliant Entities. Franchisee shall provide educational materials to non-compliant entities under this Agreement as further described in Appendix 6.

(L) Education Materials for Property and Business Owners and Tenants. Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Franchisee's public education materials shall include, at a minimum, information about Organic Waste and Recyclable Materials recovery requirements and proper sorting of Discarded Materials; and shall reflect content requirements in Section 7.4(M) below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(M) Education Requirements for Commercial Edible Food Generators. At least annually the Franchisee shall provide Commercial Edible Food Generators with the following information:

- (1) Information about the County's Edible Food Recovery program;
- (2) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 8, Chapter 12, Article 10;
- (3) Information about Food Recovery Organization and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
- (4) Information about actions that Commercial Food Generators can take to prevent the creation of Food Waste.

(N) Minimum Content Requirements. Prior to February 1, 2022; and annually thereafter, the Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 7.4(E) through (L).

(1) Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

(2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 189831.1 and 18983.2; and sending SSGCOW to Community Composting operations.

(3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.

(4) Information regarding how to recover Source Separated Recyclable Materials, SSBCOW, and SSGCOW, and a list of haulers approved by the County.

(5) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW and SSBCOW.

(6) Information regarding programs for donation of Edible Food.

(7) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organization and Food recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

(8) Information regarding Self-Hauling requirements.

(9) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(O) Material Distribution Methods. Franchisee shall use one of the following methods to provide education information to Customers. All materials are to be approved by the County prior to distribution.

(1) Printed Materials. Franchisee shall provide printed education materials as described in Section 7.4(E) through (L). The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper and procure printed materials from local businesses.

(2) Electronic materials and website content. Franchisee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

(P) Non-English Language Requirements. Upon County request, Franchisee shall provide materials in additional languages in response to shifting demographics within the County; updates to State requirements or Applicable Law; or, any other reason deemed appropriate by the County.

(Q) Record Keeping and report Requirements. Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Appendix 6.

SECTION 7.5. TECHNICAL ASSISTANCE PROGRAM.

(A) Organizing and Conducting Direct Generator Outreach: Site Visits and Waste Assessments. At least sixty (60) days prior to the Franchise Date, Franchisee will provide an Outreach and Education Plan and Implementation and Compliance Plan to County for approval identifying the site visit schedule for which to send a Franchisee representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and SSGCOW is being Disposed; assessing the Source Separated Recyclable Materials and SSGCOW Collection Service Levels needed to meet the requirements of SB 1383 Regulations; and inform all Customers of opportunities to reduce costs by

enrolling Source Separated recyclable Materials and SSGCOW Collection service and reducing Gray Container Waste Collection service. Franchisee shall contact Multi-Family and Commercial Customers and provide site visits according to the County-approved schedule. Franchisee will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of schedule.

Beginning January 1, 2022, and annually thereafter, a Franchisee representative shall follow up with Multi-Family and Commercial generators who are required to participate in Source Separated Recyclable Materials and SSGCOW Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383 and corresponding regulations. The Franchisee shall ensure that these Generators are participating in the Source Separated Recyclable Materials and SSGCOW Collection Service. If the Generator is not in compliance or not participating, the Franchisee shall assist the Customers with selecting appropriate Containers and Container sizing, identify acceptable Discarded Materials Collection services as set forth in this Agreement, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and SSGCOW Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include documentation of the items listed below. County reserves the right to request Franchisee's documentation of additional information and shall authorize the format for required information.

- (1) Pictures of material in all Containers;
- (2) Characteristics of the property, business, and Generator type;
- (3) Written recommendations for the appropriate Service Level for each material type;
- (4) Provision of outreach and education materials appropriate to the Generator type;
- (5) Determination of signage placement;
- (6) Determination of any on-going training needs;
- (7) Determination of any access needs;
- (8) Documentation of any special service needs (such as, but not limited to, seasonal Collection service, automated on-call compactor, etc.); and,
- (9) Documentation of records of communications with the Generator.

SECTION 7.6. EDIBLE FOOD RECOVERY PROGRAM SUPPORT. No later than January 1, 2022, Franchisee shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions). Contractor shall update the list and provide it to the County annually.

SECTION 7.7. INSPECTION AND ENFORCEMENT.

- (A) Annual Compliance Review. Franchisee shall perform compliance reviews described in this

Section commencing January 1, 2022, and at least annually thereafter, unless otherwise noted.

(B) Commercial Generator Compliance Reviews. Franchisee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (1) Generator requirements under the County's Discarded Materials Collection program; and, 2) if applicable for the generator, Self-hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through Back-Hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that the Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

(C) Annual Customer Subscription Review. Beginning January 1, 2022 and annually thereafter, the Franchisee shall conduct annual Customer subscription reviews of Commercial, Multi-Family, and Single-Family Generators to determine Customer compliance with the subscription to a two-Container or three-Container Collection system and Container contamination monitoring. These Customer subscription reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided Franchisee documents a reasonable sampling of Generators for which compliance with the subscription to a two-Container or three-Container Collection program during the Hauler Route review was assessed.

(D) Generator Waiver Audits. Within thirty (30) days of County request, Franchisee shall provide service level and account holder information for Generators which hold a SB 1383 Regulation Organic Waste waiver from the County.

(E) Compliance Review Process.

(1) Number of Reviews. The Franchisee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, and AB 341. The number of reviews shall be mutually agreed upon by the County and Franchisee and satisfy the requirement of 14 CCR Section 18995.1(b) which requires a sufficient number of reviews. County reserves the right to require additional inspections, if the County determines that the amount of inspections conducted by the Franchisee is insufficient. County may require the Franchisee to prioritize inspections of entities that the County determines are more likely to be out of compliance.

(2) Non-Compliant Entities. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Franchisee pursuant to Section 7.7, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within thirty (30) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and shall report such information to the County in accordance with Appendix 6. Beginning January 1, 2024, the Franchisee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 7.7, and shall report all Customer and Generators with violations of SB 1383 Regulations to the County in accordance with Section 7.7. The County shall be responsible for subsequent enforcement action against the Generators.

(3) Documentation of Inspection Actions. The Franchisee shall generate a written and/or

electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Appendix 6. At least quarterly, all required information must be uploaded to the County designated software.

SECTION 7.8. TERMINATION FOR FAILURE TO IMPLEMENT IMPLEMENTATION AND COMPLIANCE PLAN. Subject to Section 11.1(a)(5), failure to implement the strategies listed in the Implementation and Compliance Plan will be deemed an Event of Default unless the Franchisee can demonstrate to the reasonable satisfaction of the County that it can meet the solid waste diversion requirements of AB 939 and SB 1383, and meet all other compliance requirements for the Franchise.

SECTION 7.9. TONNAGE INFORMATION. The Franchisee shall keep data on the origin and tonnage of Discarded Materials collected in the Franchise Area. The Franchisee shall provide to the County, on a monthly basis, or less frequently if agreed between the Parties, the following information in a format supplied by or approved by the Director:

1. The tonnage of County Discarded Materials collected in the Franchise Area by the gross number of tons collected each month;
2. The origin and tonnage of Discarded Materials that is actually delivered to each Designated Disposal Facility each month;
3. The weight of Source Separated Recyclable Materials collected in the Franchise Area and delivered for recycling;
4. The facility to which each type of Recyclable Material or Recovered Material is delivered by the Franchisee or its designee;
5. The weight of SSGCOW Materials collected in the Franchise Area and delivered for recycling;
6. The facility to which each type of SSGCOW Materials is delivered by the Franchisee or its designee;
7. The rate of participation in recycling programs; calculated on a per-Customer basis, to be provided annually;
8. Any other information reasonably requested by the Director to meet Applicable Law and the reporting requirements of the County.

SECTION 7.10. SAFETY.

(A) Safety Meetings. The Franchisee shall participate in monthly Safety Committee Meetings hosted by the County.

(B) Compliance. The Franchisee shall maintain all facilities utilized under the current waste hauling system in compliance with ANSI Z245.42-2012 Waste Transfer Station Safety Requirements, as well as all applicable safety and environmental laws to ensure workers' safety, public health and protection of the environment. All equipment utilized by the Franchisee shall conform to ANSI Z245.1-2017 Mobile Wastes and recyclable Materials Collection, Transportation, and Compaction Equipment Safety Standards. Franchisee shall submit to the County on an annual basis information on any and all written safety programs.

(C) Safety Inspections. County retains the right to inspect Franchisee Facility(ies) utilized by

Franchisee to handle Discarded Materials, at any time, with or without notice.

(D) Contingency Plan. Franchisee shall have a written contingency plan, describing the steps that the Franchisee shall take to avoid interruptions in collection, disposal, and processing services. At all times, the Franchisee and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Franchisee shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

(E) Incident Reporting. Franchisee must immediately (within twelve (12) hours) report to the Director or County Contract Administrator any work-related death or serious injury or illness. Franchisee must also report any on-road incident involving a county resident or member of the public to the Director or County Contract Administrator.

(F) Designated Disposal Facility. Franchisee agrees to abide by any and all Safety Rules and Regulations at the Designated Disposal Facility(ies). This includes but is not limited to participating in OCWR Cal/Sharp Program activities, inspections, and/or audits, as required by the County.

(G) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director. Franchisee shall provide a summary of all safety training to the County on an annual basis.

ARTICLE 8: OPERATING ASSETS

SECTION 8.1. OPERATING ASSETS.

(A) Obligation to Provide. The Franchisee shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof and such assets shall be subject to inspection by the County at any time. The Franchisee shall bear all risk of loss of or damage to the Operating Assets, all risk of damage, loss, liability or injury caused by the operation thereof, and all risk of the effect that any periodic fluctuations in the amount of Discarded Materials or a modification in the size of the Franchise Area may have on the Franchisee's ability to perform the Franchise Services, including such fluctuations which may require new, additional, or different Operating Assets and/or Vehicles, or which may increase the cost, expense, or burden of transporting County Acceptable Solid Waste or Residue to the Designated Disposal Facility.

(B) Vehicle and Equipment Identification. The Franchisee's name, phone number, and vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other collection equipment used by the Franchisee. No other signs, advertisements, or markings shall be placed on the Vehicles or other collection equipment [excepting Multi-Family Containers under Section 4.3(D)] without the prior approval of the Director, except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance, and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, in accordance with current industry standards. Vehicles used to collect or transport Discarded Materials shall comply in all respects with Title 4 Division 3 of OCCO and all other requirements of applicable law and be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a collection route in the course of collection. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. All collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required, to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt.

(D) Vehicle Age. The average age of all vehicles shall not be greater than ten (10) years upon initiation of services. At no time during this agreement shall vehicles be older than thirteen (13) years in age. Franchisee shall report to County annually the make, model, year, and type of fuel used for all vehicles in use within the Franchise Area covered by this Franchise Agreement.

(E) Spillage. Any cover or screen shall be so constructed and used that Solid Waste shall not blow, fall, or leak out of the Vehicle. In the event of a spill, leak, or loss of Solid Waste during transit, the Franchisee shall immediately arrange for the clean-up, processing and transportation of the portion characterized as Discarded Materials to the Designated Disposal Facility at the Franchisee's sole cost and expense. Franchisee shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the County in accordance with the procedures and to the fullest extent provided in Section 12.1 hereof.

(F) Computer System. If the Franchisee maintains records on a computer system, the Franchisee will provide the County with any reports or data required by this Franchise Agreement in an electronic format approved by the County Contract Administrator. Raw data may not be submitted as a substitute to

the Franchisee's obligation to provide various reports under this Franchise.

SECTION 8.2. OPERATION AND MAINTENANCE OF THE OPERATING ASSETS. The Franchisee, at its own cost and expense, shall at all times operate the Operating Assets properly and in a safe, sound, and economical manner; shall maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; shall staff the Operating Assets with the appropriate number of employees consistent with good management practice; and shall make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 8.3. COMPLIANCE WITH APPLICABLE LAW. The Franchisee shall comply with all Applicable Law relating to any aspect of the Franchise Services and this Franchise Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Franchise Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Franchise Services provided hereunder. The Franchisee shall keep all records indicating compliance required by the Federal Immigration and Control Act of 1986 and shall make such records available for inspection by the Director upon request.

SECTION 8.4. TAXES AND UTILITY CHARGES. The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and shall provide and pay the cost of all Utilities necessary for the operation of the Operating Assets and the provision of the Franchise Services, when the same shall become due.

SECTION 8.5. INSURANCE ON OPERATING ASSETS. The Franchisee shall at all times during the term of this Franchise Agreement, at its own cost and expense, obtain and maintain insurance on all the Operating Assets meeting the requirements set forth in Section 9.7. If any useful part of the Operating Assets shall be lost, damaged, or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE 9: GENERAL REQUIREMENTS

SECTION 9.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities. The Franchisee shall establish and maintain an office within the County through which the Franchisee's representatives may be contacted, unless otherwise approved by the Director.

(B) Office Hours. The Franchisee's office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Saturday hours shall be, at a minimum, from 8:00 a.m. to 12:00 noon for Franchisees serving commercial accounts. These hours may be altered with the approval of the Director.

(C) Availability of Representatives. A representative of the Franchisee shall be available at the Franchisee's office during office hours for personal or telephone communication with the Director and with Customers. Telephone service shall be available toll-free to all Customers.

(D) Emergency Telephone Number. The Franchisee shall provide the County with an emergency telephone number for use by the Director and other County representatives outside normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

SECTION 9.2. COMPLAINTS.

(A) Complaints to Franchisee. During office hours the Franchisee shall maintain a telephone system in which complaints can be received. Franchisee shall maintain an afterhours telephone answering system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Franchisee shall notify County Contract Administrator of all complaints within three (3) days of receiving a complaint. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director during the Franchisee's regular office hours. Copies thereof shall be furnished to the Director upon request. The Franchisee shall use reasonable best efforts to attempt to contact the Customer and resolve all complaints.

(B) Franchisee Database of Complaints. The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of all Customer complaints. Franchisee agrees to document and maintain for a period of at least twenty-four (24) months on a form or log all Complaints register by Customers and Person, in accordance with this Section and Appendix 6. Franchisee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in Section 9.2(B)(1) below.

(1) SB 1383 Regulatory Non-Compliance Complaints. For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Franchisee shall document the information listed in Appendix 6. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within three (3) days of receipt of such complaint, and a monthly summary report of SB 1383 Regularity non-compliance complaints in accordance with Appendix 6.

(2) Investigations. Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: 1) upon Franchisee receipt of a complaint that entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, 2) upon County

request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Franchisee is required to investigate complaints against Customers and Generators, but not against Food recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations. Franchisee shall investigate the complaint using one or more of the methods:

- (a) Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
- (b) Reviewing the waiver list to determine if the entity has a valid waiver;
- (c) Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity reported Self-Haul information;
- (d) Determining if the entity is located in a Low-Population Area and/or High-Elevation Area;
- (e) Inspecting Premises of the entity identified by the complainant, if warranted; and/or
- (f) Contacting the entity to gather more information if warranted.

(3) Reporting. Within seven (7) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit an investigation complain report that documents the investigation performed and recommendations to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation. The County shall make a final determination of the allegations against the entity.

(C) Required Response to Complaints. The Franchisee, within twenty-four (24) hours of its receipt of notice from a Customer or the Director of a failure to provide Solid Waste collection services as required by the terms of this Franchise, shall collect such Discarded Material, provided such Discarded Material meets the requirement of Article 4 hereof, and is in Containers or is otherwise contained in a manner suitable for pickup by the Franchisee's usual collection method and has been placed in the Designated Collection Location.

SECTION 9.3. LIQUIDATED DAMAGES.

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

(B) Service Performance Standards/Liquidated Damages for Failure to Meet Standards. The parties

further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to County and that County has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such breaches as an Event of Default under Article 11.1, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In signing this Amendment, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Amendment was made. Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set below:

(1) Excessive Complaints: When Franchisee or the Director receives verified complaints from more than one-half of one percent (0.5%) of its Customer base within a six (6) month period, Franchisee will be assessed \$250.00 per complaint per occurrence; and an additional \$250.00 each 24 hours until each complaint is resolved. For purposes of this Section, "complaints" shall mean Customer notifications to the Franchisee or the Director of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g., litter on property or public right-of-way or misplacement of Containers).

(2) Failure to Perform Route Reviews and Contamination Monitoring Requirements: For each failure to conduct Route Audits and Contamination Monitoring in accordance with Section 5.6 and Section 7.7 of this Agreement: \$150 per audit per day.

(3) Failure to Comply with Container Color Requirements as Required by SB 1383. For each occurrence of Franchisee's failure to comply with Container color requirements pursuant to Appendix 1-C of this Agreement: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(4) Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by Section 7.4.: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(5) Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 7.7: 1st Violation: \$50 per occurrence, 2nd Violation: \$100 per occurrence, 3rd and subsequent Violations: \$250 per occurrence.

(6) Failure to Issue Contamination Notices. For each failure of Franchisee Collection personnel to issue contamination notices and contaminating Processing fee notices and maintain documentation of issuance as required by Section 5.6 of this Agreement: 1st Violation: \$50 per route per day, 2nd Violation: \$100 per route per day, 3rd and subsequent Violations: \$250 per route per day.

(7) Failure to Provide Recyclable Material and Organic Material Collection Services to

every Customer. For each occurrence of failing to provide Customers with a three-Container system, including Recyclable Material and Organic Materials, required by and compliant with Article 4: \$500 per Customer. Exceptions noted below.

(8) Failure to Meet Facility Standards per Appendix 1-E: \$1,000.00 per occurrence.

(9) Use of Unauthorized Facilities. For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement: 1st Violation: \$50 per ton per occurrence, 2nd Violation: \$100 per ton per occurrence, 3rd and subsequent Violations: \$250 per ton per occurrence.

(10) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth (5th) working day following the due date of such fees or reports: \$500.00 per occurrence.

(11) Franchisee operating hours not authorized by the County: \$1,000.00 per occurrence.

(12) Failure to maintain records required by Franchise: \$1,000.00 per occurrence.

(13) Failure to meet all the requirements of the BIT Program, or failure to provide results of such BIT Program to the Director within ten (10) days of receipt of request: \$1,000.00 per occurrence.

(14) In addition to the termination remedies available to the County hereunder, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 9.6 regarding Insurance Coverage: \$1,000.00 per day.

(15) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: 125% of original amount of liquidated damages.

(16) Submissions to County: Any report shall be considered late until such time as a correct and complete report is received by County. For each calendar day that a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$500.00 per day
- b) Quarterly Reports: \$1,000.00 per day
- c) Annual Reports: \$2,000.00 per day

(17) For each calendar day that the Diversion Fee (if due, per Section 7.3), accompanied by supporting tonnage and Gross Receipts documentation, is late, the daily liquidated damage amount shall be: \$250.00 per day

(18) Cooperation with Service Provider Transition

a) For each day that routing information requested by County is received after County-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

b) For each day that delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues: \$1,000.00 per day.

County may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of Customer complaints.

Prior to assessing liquidated damages, County shall give Franchisee notice of its intention to do so. The notice shall include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with County. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. County, by and through the Director of OC Waste & Recycling, shall provide Franchisee with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Director of OC Waste & Recycling shall be final.

(19) Amount: County may assess liquidated damages for each calendar day or event, as provided in this Agreement, that Franchisee is determined to be liable in accordance with this Franchise.

(20) Timing of Payment: Franchisee shall pay any liquidated damages assessed by County within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, County may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement.

Any such liquidated damages shall be paid directly to the County and may not be included by the Franchisee as justification for an upward adjustment in the Rate schedule or offset against any fees.

County shall not assess Liquidated Damages for Section 9.3(B)(7) under the following circumstances:

- (1) County has granted the Customer a waiver.
- (2) Franchisee documents that the Customer is compliant with 14 CCR Division 7, Chapter 12, Article 7.
- (3) Franchisee documents to the County that the Customer is being provided Recyclable Material and/or Organic Material Collection services from a County-permitted, or non-exclusively franchised recycler or Discarded Materials service provider.
- (4) Franchisee documents that Customer is sharing Recyclable materials and/or Organic Materials Collection Services with another Customer in a manner approved by the County.
- (5) The County has failed to adopt a mandatory Recycling ordinance.

SECTION 9.4. ACCOUNTING AND RECORDS.

(A) Maintenance and Audit of Records. The Franchisee shall maintain in its principal office in the County full and complete financial statements and accounting records that include the cash receipts from

and the cost of doing business in the Franchise Area including, but not limited to, cash, billing, and disposal transactions for the Franchise Area. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor, shall be recorded as revenues in the accounts of the Franchisee. The County shall be entitled to inspect and audit all records at any reasonable time at the Franchisee's principal Orange County office. The following records of Franchisee shall be subject to audit: cash receipts, billing and disposal transactions for the Franchise Area and any other records of Franchisee that are relevant to the costs incurred by Franchisee. All statements are to be prepared in accordance with generally accepted accounting principles. Franchisee shall be responsible for all expenses associated with conducting this audit.

In the event that a Special Circumstance rate adjustment is requested, all records supporting and relating to the requested adjustment shall be subject to audit in accordance with generally accepted auditing standards, and inspection, for the primary purpose of reviewing changes in costs to the Franchisee attributable to the Special Circumstance request, at any reasonable time by an independent third Party. Franchisee recognizes the County of Orange Auditor-Controller as an independent third Party for purposes of conducting this audit. The Parties may agree to selection of the County of Orange Auditor-Controller if sufficient staff resources are available. The selection of the independent third Party as well as the scope of work for such audit shall be approved in advance by the Director. The independent auditor shall provide any and all drafts of its audit to the County and the Franchisee. The Party requesting the Special Circumstance rate review shall bear the cost of the audit.

The Franchisee shall maintain and preserve all cash, billing, and disposal records for at least five (5) years following the term of this Franchise. Any deviation from this subsection will require the written approval of the Director and may require approval by the Board of Supervisors.

(B) Confidentiality. The County agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law. Franchisee is aware that the County is subject to the provisions of the California Public Records Act and that the application of such act may require disclosure of certain documentation provided by Franchisee to the County. County shall have no liability for complying with the California Public Records Act.

SECTION 9.5. RULES AND REGULATIONS OF DIRECTOR. The Director shall have the power to establish rules and regulations relating to the accumulation, collection, processing, and disposal of Franchise Solid Waste consistent and/or in accordance with the County Code, in addition, and in no way limiting the Director's authority under OCCO, the Director may provide such additional rules and regulations as are found to be reasonably necessary by the Director for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public health, safety, and general welfare. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of this Franchise relating to adjustments in the rate schedule as a result of Changes in Law.

SECTION 9.6. PERSONNEL AND SUBCONTRACTORS.

(A) Employment Practices. The Franchisee shall at all times maintain and follow employment practices in accordance with all applicable state and federal laws and regulations, and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

(B) Non-Discrimination. In the performance of the terms of this Franchise, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination;

rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters

(C) Personnel. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out. The franchisee shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

(D) Driver Qualification. 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, issued by the California Department of Motor Vehicles.

(E) Safety Training. Franchisee shall provide suitable operational and safety training for all of its employees in compliance with Cal/OSHA, all applicable laws and its own safety program. The safety training shall include but not be limited to: general industry safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence. Franchisee employees who utilize or operate vehicles or equipment for Collection of Solid Waste who are otherwise directly involved in such Collection shall be properly trained in such tasks. Records of such training history shall be maintained and made available for review by the Director.

(F) Staff Training. Annually, and upon hiring of new staff, the Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. The County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

(G) Employee Conduct. Franchisee shall use its best efforts to ensure that all employees present have a neat appearance and conduct themselves in a courteous manner in their dealings with customers and the general public.

(H) Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

(I) Equipment. The franchisee shall utilize modern semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment. All collection vehicles, including tractor trailers that carry roll-off Containers, shall

be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the County in an acceptable format and in real-time. Franchisee's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

(J) Subcontractors. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the prior written consent of the Director, which may be withheld or delayed if the Director determines that such consent is not in the best interest of the public health, safety, or general welfare. In the event that approved Subcontractors are utilized, the Franchisee shall provide the County with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Director, except in cases of termination of the employee. The Parties acknowledge the County's approval of a Subcontractor and any direct contact with any Subcontractors in no way eliminates the Franchisees responsibility to fulfill all obligations under this Franchise Agreement.

SECTION 9.7. INSURANCE REQUIREMENTS. Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee’s SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN AGREEMENT**.

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee’s insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN FRANCHISE AGREEMENT**.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 9.8. PERFORMANCE ASSURANCES. The Franchisee shall obtain Performance Assurances in the minimum amount of \$500,000 or an amount equal to 20% of the Gross Revenue (whichever is greater) for the specific Franchise Area. Franchisee agrees to deliver such Performance Assurances to the County within thirty (30) days after the Franchise Date. Such Performance Assurances shall permit the County to draw upon them or otherwise exercise its rights thereunder in the event that the Franchisee fails to perform its obligations hereunder and fails to pay any liquidated damages required to be paid as a result of such non-performance. The Performance Assurances shall serve to secure the performance of the Franchise Services, and the amount thereof shall in no way limit the damages which may be payable hereunder upon any breach hereof by the Franchisee.

The Performance Assurances shall take one of the forms set out below and shall guarantee Franchisees full and faithful performance of all the terms, covenants, and conditions of this Franchise:

Cash: The Performance Assurance amount will be deposited with and held in an interest-bearing trust account (which may be commingled with other monies of OC Waste & Recycling) by the Orange County Treasurer.

The Performance Assurance may be invested in the Orange County Investment Pool or other investment(s) as determined by the Orange County Treasurer in accordance with California law and the County's Investment Policy Statement (as it may be amended from time to time).

Irrevocable Letter of Credit (LOC): An irrevocable letter of credit, from a financial institution and in a form acceptable to the Director, may be delivered to the County in the required amount of the Performance Assurance. The LOC must permit the Director to draw on the LOC, in whole or in part. The LOC must not be revocable by the Franchisee and, if the LOC has an expiration date, the financial institution issuing the LOC must notify the County no later than sixty (60) days prior to the LOC expiration date. If Franchisee fails to extend the LOC at least thirty (30) days prior to its expiration date, or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

Surety Bond: A surety bond (Surety), issued by a surety company with a minimum insurance rating of A- (Secure Best's Rating) and VIII (Financial Size Category), as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com, and authorized to write in California by the Department of the Treasury, and must be listed on the most current edition of the Department of Treasury's Listing of Approved Securities, in a form acceptable to the Director may be delivered to the County in the required amount of the Performance Assurance. The Surety must permit the Director to draw on the Surety, in whole or in part. The Surety must not be revocable by the Franchisee and, if the Surety has an expiration date, the surety company issuing the Surety must notify the County no later than sixty (60) days prior to the Surety expiration date. If Franchisee fails to extend the Surety at least thirty (30) days prior to its expiration date or provide the Performance Assurance as otherwise permitted herein, Franchisee will be in material breach of this Franchise.

The Performance Assurance shall only be drawn to the extent permitted herein and may not be drawn by the County for any other reason. Franchisee shall have no ability to withdraw any monies, terminate or lower the amount of a LOC or terminate or lower the amount of a Surety from the Security Deposit during the term of this Franchise or following termination until any and all amounts due to the County are paid.

Franchisee shall deposit with the County additional monies or increase the stated amount of a LOC or Surety for the Security Deposit in the event: a) the Security Deposit is drawn upon by County as permitted herein, or b) the Director determines, based upon deferred payment fees for the previous three (3) month period, that the Security Deposit should be increased. Franchisee shall deposit additional monies or increase the stated amount of the LOC or Surety for the Security Deposit within ten (10) days of written notice by the County.

Regardless of the form in which Franchisee elects to make said Performance Assurances, all or any portion of the principal sum shall be available unconditionally to the Director for correcting any default or breach of this Franchise by Franchisee, its successors or assigns, or for payment of expenses, fees, charges or liquidated damages payable to the County as a result of the failure of Franchisee, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Franchise.

In the event that the Director withdraws any or all of the Performance Assurances as provided herein, Franchisee shall, within ten (10) days of any withdrawal by the Director, replenish the Performance Assurances to maintain it at amounts herein required. Failure to do so shall be deemed a material default and shall be grounds for immediate termination of this Franchise.

SECTION 9.9. ANNUAL SUSTAINABILITY ACTION REPORT. OC Waste & Recycling is committed to reducing its impact on the local and global environment by promoting and implementing sustainable business practices. The department is adopting measures both in business practices and waste management operations to minimize the potential environmental impacts and use resources as effectively

as possible. In support of this, Franchisee is required to submit and annually update a Sustainability Action Report that demonstrates what measures the company is taking to control its impact on the environmental and to contribute to a sustainable work operation. The report will document the company's effect related to:

1. Waste reduction, reuse and recycling, and
2. Corporate business practices

The report will cite target goals, progress made towards accomplishing those goals and recommendations for short-term and long-term actions that will lessen the Franchisee's impact on the environment.

The plan may include regional information and activities, but must provide direct statistical information about activities and accomplishments being made on a local level within the Franchise Area. The reports will be submitted to the Department Contract Coordinator and may be included in the department's annual reports on sustainability.

ARTICLE 10: RATES AND RATE REVIEW PROCESS

SECTION 10.1. FRANCHISEE TO COLLECT RATES.

(A) Generally. The Franchisee shall perform the responsibilities and duties described in this Franchise in consideration of the right to charge and collect amounts from Generators of Discarded Materials for collection, processing, and disposal services rendered, at rates (“Rates”) fixed by the County. The Franchisee will not look to the County for payment of any sums due under this Franchise.

(B) Billing. The Franchisee shall render a statement (“Billing Statement”) to each Customer by the fifteenth (15th) day of the month or quarterly, which Billing Statement shall set forth a calculation of the applicable Rates for the month/quarter in which the Billing Statement is rendered. Such Rates shall not be past due to the Franchisee until thirty (30) days after the date of the Billing Statement. The Franchisee shall be responsible for determining and maintaining the Customer name, service address, billing address and all other pertinent Customer account data.

(C) Bill Records. Franchisee shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the County Contract Administrator at any reasonable time, but in no case more than thirty (30) calendar days after receiving a request to do so.

(D) Delinquent Accounts. The Franchisee shall be responsible for collecting all Rates due and payable to it under this Franchise. The Franchisee shall be responsible for implementing its own collection methods, provided that whatever steps are taken in regard to delinquent accounts comply at a minimum with the following:

(1) The Franchisee shall notify the Customer in writing if the bill is fifteen (15) or more days overdue and contact the Customer to advise that service will be terminated no sooner than forty- five (45) days after the due date on the initial Billing Statement.

(2) The Franchisee will remove the Solid Waste Containers within two (2) weeks from the date that service is terminated.

(3) The Franchisee will impose a charge in an amount no greater than \$45.00 per Container for Commercial Premises and Multi-Family Dwelling Customers and no greater than \$25.00 for Single-Family Dwelling Customers to return the Container(s) after they have been removed by reason of a terminated account.

(4) The Franchisee may refer the delinquent account to a collection agency or seek legal remedies.

The County reserves the right to direct the Franchisee not to proceed or to modify these procedures. The County shall not have any obligation to reimburse the Franchisee for delinquent accounts.

(E) Universal Enrollment Process. Franchisee shall assist the County in ensuring that the enrollment of Generators occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than January 1, 2022. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports necessary for the County to verify the enrollment of Generators.

At least two (2) times per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in County’s Collection program. As part of this analysis, Franchisee shall provide the County with a summary of any discrepancies found between the Customer list and parcel information, including the

names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the County's Collection program due to Generator's choice to Self-Haul materials, including the name, address, and type of waiver or Self-Haul status for each Generator. In accordance with Appendix 6, Record Keeping and Reporting, Franchisee shall maintain records and provide reports on the Generators' Service Level and list of non-enrolled Generators, and other information necessary for the County to verify the universal enrollment of Generators.

SECTION 10.2. RATES.

(A) Rate Adjustment. On each July 1 during the term hereof, commencing July 1, 2022, the Rates shall be adjusted annually using the Consumer Price Index Category: Waste and Sewer and Trash Collection Services in U.S. City Average (CUSR000SEHG) as published by the United States Department of Labor, Bureau of Labor Statistics. If this index becomes unavailable, a similar, mutually agreed upon Index shall be used in its place. The first yearly rate adjustment will take effect July 1, 2022. OC Waste & Recycling will provide to the Hauler the amount of the Rate increase by May 1 of each year. The increase will be calculated by taking the average of the monthly difference in CPI in the previous calendar year compared to the prior year. An example is shown in Appendix 3-A. No CPI adjustment shall be greater than four percent (4%). Should the annual CPI adjustment exceed four percent (4%) in any given year, then the excess of any such adjustment shall be deferred and applied in the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly until Franchisee is fully compensated for the amount deferred. In the event that the average of the monthly difference in CPI in the previous calendar year compared to the prior year is less than zero (0) in any given year, then the negative amount of the CPI adjustment will be deferred to the following year, and every year thereafter, as needed, to the Rates and the then-applicable Rates, which shall be adjusted accordingly.

(B) Charges for Special Services. In addition to the revenues authorized by the Rates in Appendix 2-A through 2-B, the Franchisee may charge and receive fees for performing Special Services for which Rates are not set by Appendix 2-C. Rates shall be negotiated and agreed upon in separate contracts between the Franchisee and each Customer requesting such Special Services. Negotiated Special Services rates are subject to approval by the Director.

(C) Senior Citizen Discount. Franchisee agrees to reduce residential monthly collection fees by ten percent (10%) for Senior Citizen residents. The following criteria must be met in order for the resident to receive the discount: (1) must be 65 years of age or older, (2) must provide proof of being the head of household, and (3) must agree to reduce cart size to 35 gallon capacity for all cart types. No reduction in number of carts will be allowed, unless requested by the customer. Up to one (1) time per year, Franchisee may request verification of Senior Citizen Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

(D) Low Income Discount. Franchisee agrees to reduce monthly residential collection fees by ten percent (10%) for low income residents. The following criteria must be met in order for the resident to receive the discount: (1) Must provide proof of low income by being enrolled in "California Lifeline" telephone program or CARE/FERA program, or by submitting a copy of a utility bill showing a Low Income Discount, (2) Name on utility bill or other low income program must be head of household. The Low-Income Discount only applies to Single-Family Dwellings using the standard three cart Collection system. Up to one (1) time per year, Franchisee may request verification of Low-Income Discount eligibility. Franchisee shall notify residents of the available discount a minimum of twice a year. Notifications shall be six (6) months apart. Notice of the discount shall be sent out with normal billing.

SECTION 10.3. SPECIAL CIRCUMSTANCE RATE REVIEW. At its option, the Franchisee may request a Special Circumstance Rate review should an event or circumstance arise which negatively

impacts the economics of operating pursuant to this Franchise, and which is in excess of the Rate adjustment provided in Appendix 3-A. The County may also initiate a Special Circumstance Rate review at its option. A Rate adjustment due to Special Circumstances may be approved at the option of the Board of Supervisors if:

- (A) It is necessary for the Franchisee to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Franchise, or
- (B) Changes to operations or Approved Facilities that are mandated by the County, or
- (C) Changes in law, regulations, taxes or Designated Disposal Facilities occur which affect the Franchisee's expenses, or
- (D) Fees are levied or imposed by the County or any state or federal agency in excess of amounts charged for such fees on the date of this Franchise.

If the Franchisee experiences a substantial increase or decrease in the size of the Franchise Area as set forth in Appendix 1-A and 1-B, and the Franchisee believes that such increase or decrease represents an economic hardship, the Franchisee may request a Special Circumstance rate review, but in no event before four (4) years from the Franchise Date.

All pertinent information must be submitted to the Director for review and subsequent consideration by the Board of Supervisors. All costs of a Special Circumstance Rate review shall be borne by the Party requesting such review. The continuing existence of a Special Circumstance, which has previously been determined to justify a Special Circumstance rate adjustment, shall be reviewed annually.

SECTION 10.4. PUBLICATION OF RATES. The Franchisee shall provide written notice to Customers of all current Rates and any proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement that Franchisee sends to its Customers.

ARTICLE 11: DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. DEFAULT AND REMEDIES.

(A) Events of Default. Each of the following shall constitute an Event of Default:

- (1) Any transaction not complying with the requirements of Section 3.4 hereof.
- (2) The failure by the Franchisee for any reason to deliver to the Designated Disposal Facility, on a consecutive or cumulative basis through the term of this Franchise, Solid Waste in an amount equal to 5 tons (based on collections in the first full Franchise Year) of Acceptable Solid Waste collected by the Franchisee.
- (3) The failure of Franchisee to timely make any payment to the County or maintain all insurance coverage as required in this Franchise.
- (4) The failure of Franchisee, except as may be excused by Uncontrollable Circumstances, to make at least 99.95% of the scheduled collections of Discarded Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (5) Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition in this Franchise, other than a failure or refusal described in items (1), (2), (3) or (4) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The Director provides written notice to the Franchisee, describing the specific failure or refusal to perform, which will result in termination of this Franchise unless such default is corrected within fifteen (15) days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the Director's conclusion that such failure or refusal to perform has occurred nor corrected or diligently taken steps (in the opinion of the Director) to correct such default within such fifteen (15) day period from receipt of the notice given pursuant to clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee continues to take such steps to correct such default).
- (6) The written admission by the Franchisee that it is bankrupt, or the filing by the Franchisee of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Franchisee to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's property or business.
- (7) The final adjudication of the Franchisee as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, however, no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
- (8) The failure of Franchisee to provide or maintain the Performance Assurances required pursuant to Section 9.8 hereof, without any requirement of notice or cure opportunity.
- (9) Any occurrence of an event considered to be an Event of Default under the Waste

Disposal Agreement.

(10) **Failure to Provide Processing Capacity.** Franchisee fails to provide adequate Processing capacity in accordance with Appendix 1-E, which is essential for the County to achieve SB 1383 compliance.

(11) **Failure to Achieve Processing Standards.** Franchisee fails to achieve the Processing standards specified in Appendix 1-E, including achievement of minimum Organic Materials recovery rates, which are essential for the County to achieve SB 1383 compliance.

(12) **Failure to Comply with Other Requirements of SB 1383.** Franchisee fails to comply with other requirements of the Agreement including, but not limited to, public education, reporting, contamination monitoring, recordkeeping and reporting, or other obligations of this Agreement that delegate the County's responsibility and/or authority under SB 1383 to the Franchisee.

(13) **Failure to Implement Collection Program.** Franchisee fails to implement a Collection program that complies with the requirements of Article 4, which is essential for the County to achieve compliance with SB 1383.

(B) **Right to Terminate Upon Default.** Upon a determination by the Director that an Event of Default has occurred, the Director may terminate this Franchise. Upon receipt of the Director's termination notice, the Franchisee shall pay to the County (1) all amounts due and payable to the County under this Franchise including but not limited to liquidated damages, and (2) an amount equal to the sum of all increased payments, damages and penalties incurred by or on behalf of the County under Applicable Law as a result of the termination of this Franchise.

(C) **County's Remedies Cumulative; Specific Performance.** The County's right to terminate this Franchise under Section 11.1 is not exclusive, and the County's termination of the Franchise shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the County may have, including but not limited to specific performance, liquidated damages and fees and expenses incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES.

(A) **Excuse From Performance.** In the event that a Party is prevented from performing its obligations under this Franchise by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Franchise, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming an Uncontrollable Circumstance shall, within twenty-four (24) hours after such Party has notice of the Uncontrollable Circumstance, give the other Party notice of the facts constituting such Uncontrollable Circumstance and asserting its claim under this Section. Specifically, such information shall include the following:

- (1) The Uncontrollable Circumstance and the cause thereof;
- (2) The date that the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed;
- (3) Estimated impact on the other obligations of such Party under this Franchise; and

(4) While the delay continues, the Franchisee or County shall give daily notice to the other Party updating the information previously submitted.

In the event of an Uncontrollable Circumstance, the Parties hereby waive any claim against each other for any damages sustained thereby.

(B) County's Right to Terminate. The partial or complete interruption or discontinuance of the Franchisee's services caused by one or more Uncontrollable Circumstances shall not constitute an Event of Default by the Franchisee under this Franchise. Notwithstanding the foregoing, however, if the Franchisee is excused from performing its obligations hereunder for a period in excess of fourteen (14) days because of any Uncontrollable Circumstance, the County shall nevertheless have the right, in its sole discretion, to terminate this Franchise by giving ten (10) days notice, in which case the provisions of Section 11.5 will apply.

SECTION 11.3. RIGHT TO DEMAND ASSURANCES OF PERFORMANCE. If the Director believes in good faith that the Franchisee's ability to perform under the Franchise has been placed in substantial jeopardy by one of the events enumerated below, the Director may, at their option and in addition to all other remedies the County may have, require that the Franchisee provide the Director with sufficient proof that none of the events enumerated below will impair Franchisee from performing its obligations under this Franchise:

- (1) Franchisee is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, or other concerted job action;
- (2) Franchisee appears, in the reasonable judgment of the Director, to be unable to regularly pay its bills as they become due;
- (3) Franchisee is the subject of a civil or criminal judgment or order entered by any federal, state, regional, or local court or regulatory agency for violation of any environmental or criminal laws, or any matter concerning fraud, theft or corruption.

If the Franchisee fails or refuses to provide to the Director adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 11.1(A).

The Franchisee shall file a statement of ownership and management at such times as may be requested by the Director, and shall verify the same as being true under penalty of perjury. Failure to comply with this paragraph within thirty (30) days from the date of Director's request shall constitute an Event of Default.

SECTION 11.4. WAIVER OF DEFENSES. To the extent permitted by law, the Franchisee acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration; contract of adhesion; or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

SECTION 11.5. COUNTY'S RIGHT TO PERFORM SERVICE.

(A) General. In the event that the Franchisee, for any reason whatsoever, fails, refuses, or is unable to collect, transport, Process, or Dispose of any or all Discarded Materials which it is required by this Franchise to collect and transport, at the time and in the manner provided in this Franchise, for a period of

more than forty-eight (48) hours, and if, as a result thereof, Discarded Materials should accumulate in the Franchise Area to such an extent, in such a manner, or for such a time that the Director should find that such accumulation endangers or menaces the public health, safety, or welfare, then the County shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to the Franchisee during the period of such emergency as determined by the County:

- (1) To perform, or cause to be performed, such services itself with its own or other personnel (including but not limited to another waste hauler) without liability to the Franchisee; and/or
- (2) To take possession of any or all of the Franchisee's Vehicles, Containers, and other equipment used in the collection and transportation of Discarded Materials in the Franchise Area, and to use such equipment, free of charge, to collect and transport any County Discarded Materials.
- (3) Solid Waste generated within the Franchise Area which the Franchisee would otherwise be obligated to collect and transport pursuant to this Franchise.

Notice of the Franchisee's failure, refusal, or neglect to collect and transport Discarded Materials shall be provided in writing to the Franchisee at its principal office and shall be effective immediately.

The Franchisee further agrees that in such event:

- (1) It will take direction from the County to affect the transfer of possession of equipment to the County for the County's use.
- (2) It will, if the County so requests, keep in good repair and condition all of such property, provide all Vehicles with fuel, oil, and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- (3) The County may immediately engage all or any personnel necessary or useful for the collection and transportation of Discarded Materials, including, if the County so desires, employees previously or then employed by the Franchisee. The Franchisee further agrees, if the County so requests, to furnish the County with the services of any or all management or office personnel employed by the Franchisee whose services are necessary for Discarded Material collection and transportation operations, and for the billing and collection of fees for these services.

The County agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

The County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which compensation must be paid; and (2) does not exempt the Franchisee from the indemnity provisions of Section 12.1, which are meant to extend to circumstances arising under this Section, provided that the Franchisee is not required to indemnify the County against claims and damages arising from the acts and omissions of County officers, employees, and agents in the operation of collection vehicles during the time the County has taken possession of such Vehicles.

(B) Duration of the County's Possession. The County has no obligation to maintain possession of the Franchisee's property and/or continue its use in collecting and transporting Discarded Material for any period of time and may, at any time, in its sole discretion, relinquish possession to the Franchisee.

The County's right to retain temporary possession of the Franchisee's property, and to provide Discarded Material collection services, shall continue until the Franchisee is capable of full resumption of such services, or one-hundred eighty (180) days, whichever occurs first.

ARTICLE 12: MISCELLANEOUS PROVISIONS

SECTION 12.1. INDEMNIFICATION.

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.D. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:

- (1) Assist County in responding to inquiries from CalRecycle;
- (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
- (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
- (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
- (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12.2. RELATIONSHIP OF THE PARTIES. Neither Party to this Franchise shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed

by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

SECTION 12.3. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 12.4. BINDING EFFECT. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 12.5. AMENDMENTS. Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

SECTION 12.6. FURTHER ASSURANCE. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

IN WITNESS WHEREOF, the Parties have executed this Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

COUNTY OF ORANGE

Date: _____

By: _____

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

**COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA**

Date: _____

By: **Paul Albarian**  Digitally signed by Paul Albarian
DN: cn=Paul Albarian, o=County
Counsel, ou,
email=Paul.Albarian@coco.ocgov.
com, c=US
Date: 2021.05.11 12:47:50 -07'00'

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

APPENDIX LISTING

APPENDIX 1

- A) Map and Description of Franchise Areas of Orange County
- B) Map of Franchise Areas
- C) Container Specifications
- D) Accepted Materials
- E) Process, Transfer, and Disposal Services and Facility Standards

APPENDIX 2

- A) Maximum Rates for Residential Service
- B) Maximum Rates for Commercial Service
- C) Maximum Rates for Special Services

APPENDIX 3

- A) Example Rate Adjustment Calculation for July 1, 2022
- B) Example Calculation of an Annual Change in a Published Index

APPENDIX 4

Implementation and Compliance Plan

APPENDIX 5

Outreach and Education Plan

APPENDIX 6

Record Keeping and Reporting

APPENDIX 7

Franchise Area Specific Programs

APPENDIX 1-A

MAP AND DESCRIPTION OF FRANCHISE AREAS OF ORANGE COUNTY

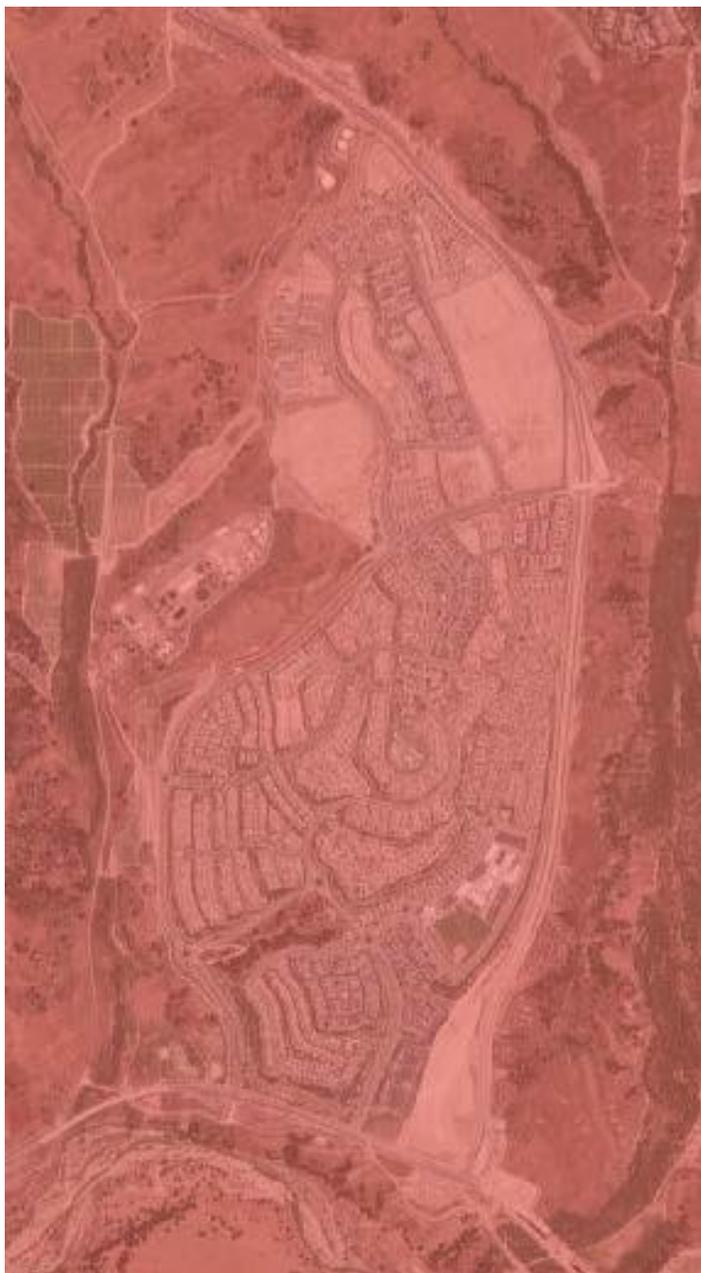


<u>Franchise Area</u>	<u>Description</u>
1	Rossmoor
2	Placentia Islands/Yorba Linda Islands/Buena Park Islands
3	Orange Islands
4	Fountain Valley Island
5 CA-1	Orange Park Acres/The Canyons
5 CA-2	El Modena
6	Lemon Heights/North Tustin/Cowan Heights/James A. Musick
7-A	John Wayne Airport
7-B	Emerald Bay/Laguna Coast Wilderness Park
8	Coto De Caza/Trabuco Canyon/Wagon Wheel/Ladera Ranch/Las Flores
9	Rancho Mission Viejo/Sendero/San Juan Capistrano Unincorporated/Ortega Highway

APPENDIX 1-B

MAPS OF COLLECTION AREAS

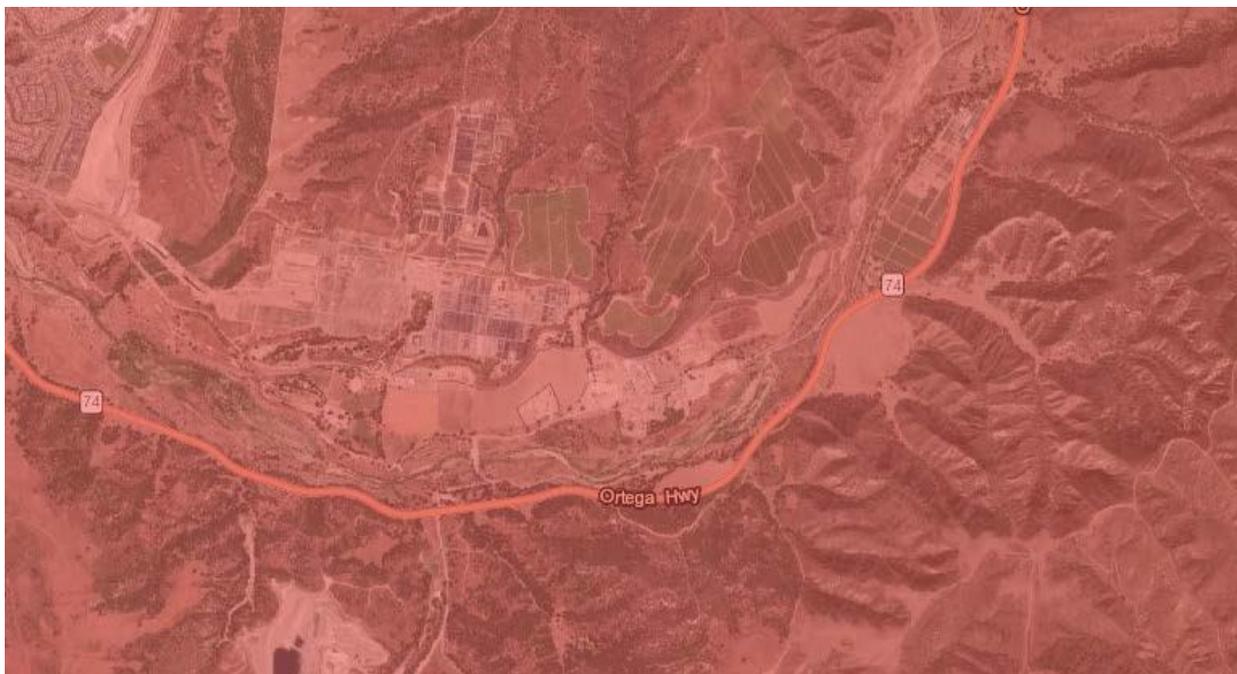
Rancho Mission Viejo:



Rancho Mission Viejo (Sendero):



Ortega Highway:



**APPENDIX 1-C
CONTAINER SPECIFICATIONS**

Minimum Requirements Required by County:

Franchisee will provide Containers to be used under this Agreement.

Franchisee will provide Residential Cart Customers with the option of three cart sizes for Gray Container Waste, Source Separated Recyclable Materials and Source Separated Organic Waste. Sizes offered shall be approximately 35, 64, and 96 gallons. Residential Customers may request different sizes for each waste stream.

Customers may each request one free exchange in cart sizes during each calendar year. One exchange includes all cart size changes included in the same Customer request and may include changes being made to one, two or three of the Customer's carts.

By January 1, 2032, all Containers provided by Franchisee will meet all color and labeling requirements prescribed in SB 1383 Regulations. All new Containers, included those replaced prior to January 1, 2032, must comply with SB 1383 Regulations.

Cleaning and Maintenance. Franchisee shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee and shall be subject to County approval. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair. Upon Customer or County request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins above one per year at the rates shown in the approved rate schedule. Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container.

Bin Identification and Color. Each Bin placed in the Franchise Area by Franchisee shall have the name of Franchisee in letters not less than three (3) inches high on the exterior of the Bin to be visible when the Bin is placed for use. Bins shall be labeled to include bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon County's request if the County deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color of, and all Recycling and Organics Bins shall be painted a different, uniform color.

The carts provided by CR&R shall meet all of the design and performance requirements specified in the agreement and comply with SB 1383 regulations.

CR&R proposes the use of Toter (or similar manufacturer) for the use of carts for curbside residential services and as needed for commercial and multi-family service.

Carts are manufactured using medium density polyethylene with the advanced rotational molding process. Rotational molding provides superior strength-to-weight ratio not found in standard injection-molded carts and boast the industry’s lowest warranty claim rate.

Automated Cart Specifications

35 Gallon	Approximately 25” deep x 20” wide x 39” tall Load Rating: 112 lbs. Wheel Diameter: 10”
65 Gallon	Approximately 32” deep x 25” wide x 42” tall Load Rating: 224 lbs. Wheel Diameter: 10”
95 Gallon	Approximately 35” deep x 29” wide x 43” tall Load Rating: 335 lbs. Wheel Diameter: 10”

Cart Load Capacity - Depending on the capacity, the Carts shall have a minimum load capacity as noted below without container distortion, damage, or reduction in maneuverability or any other functions as required herein.

<u>Cart Size (Gallons)</u>	<u>Minimum Load Capacity (LBS)</u>
90-100	200
60-70	130
32-35	70

Cart Color Identification

Carts bodies will be Granite Gray, with different color lids to designate the appropriate material placement: black lids for material to be disposed at the landfill, green lids for organic material and blue lids for recyclable material. Lid colors and labeling will comply with requirements of SB 1383 and be consistent in each permit area.

The following is an image of the proposed cart lids:



Bin Color Identification

Refuse bins will be painted a uniform color of blue with corresponding black lid. Recycling and organics bins are painted a different uniform color with corresponding lids color.

**APPENDIX 1-D
ACCEPTED MATERIALS**

Residential Recycling Program will include the following materials:

Glass	Food and beverage bottles, glass jars and bottles, house windows, liquor, soda and juice bottles, tempered glass, Pyrex
Plastic	PET: soft drink bottles, photo film canisters HDPE: detergent containers, plastic water/milk containers, pails PVC: sprinkler pipe LDPE: trash can liners, shrink wrap, grocery bags PP: yogurt containers, luggage, drinking straws PS: plastic plates, cups, egg cartons, food trays Other: mixed plastic containers, plastic toys
Metal	Empty aerosol cans, metal coat hangers, aluminum cans, tin cans, food and juice jars, empty paint cans, metal foil, lawn furniture
Paper	White paper, colored paper, envelopes, junk mail, phone books, magazines and other soft cover books/manuals, glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper
Cardboard	Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons

Commercial Recycling Program will include the following materials:

Glass	Empty glass beverage containers, empty glass food containers, all glass colors
Metal	Aluminum cans, tin cans
Plastics	Drink bottles, detergent containers, plastic toys, milk containers
Paper	White paper, colored paper, magazines, phone books, newspaper, milk or juice cartons
Cardboard	Cardboard, chipboard/boxboard

Accepted Organic Materials include the following required by CalRecycle for Residential Cart Customers.

Yard Waste	Loose green material from the yard, grass clippings, leaves, weeds, tree and bush prunings, material, vineyard clippings, and tree trunks/stumps/branches 3” or less in diameter
Food Waste	All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials
Compostable Materials	Soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, single use PLA cups, single serve coffee brewing cups and other plant-based utensils; paper take-out boxes and containers, greasy pizza boxes, paper bags and cardboard, and ASTM D6400 biodegradable food service ware designed to disintegrate and biodegrade quickly

APPENDIX 1-E
PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Appendix. The Approved Facilities shall comply with the standards specified in this Appendix. Pursuant to Section 5.1 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 5.1 of the Agreement and this Appendix shall pertain to the Subcontractor(s).

A. GENERAL REQUIREMENTS:

Franchisee agrees to Transport Discarded Materials it Collects in the County Unincorporated to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement. County, at its sole option, shall retain the right to require Franchisee which Transformation Facility, Organics Processing Facility, Material Recovery Facility or Landfill shall be used to retain, Recycle, Compost, Process, or Dispose of Discarded Materials generated within the Franchise Area. In this instance, Franchisee shall conduct a rate audit and recommend, if necessary, a rate adjustment. If Franchisee sees a reduction in costs, those savings shall be passed on to the rate payers.

B. APPROVED FACILITIES:

Facility / Address / SWIS #	Owner / Operator	Materials Transported, Processed or Landfilled:
CR Transfer 11232 Knott Avenue, Stanton, CA SWIS#: 30-AB-0013 C&D 30-AB-0462 Green 30-AB-0463	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingled Recyclables Processed: Mixed solid waste, Commingled Recyclables, Construction and Demolition Materials
CR&R Recycling (Western) Stanton, CA 90680 SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Commingled Recyclables
CR&R Anaerobic Digestion Facility 1706 Goetz, Perris, CA 92570 SWIS#: 33-AA-0239	Owned and operated by CR&R	Residential Green Waste and Food Waste
South Yuma County Landfill 19536 South Avenue 1E, Yuma, AZ SWIS#: NA	Owned and operated by CR&R	Residential and Commercial Green Waste and Food Waste
CR&R EMSW Facility 1706 Goetz, Perris, CA 92570 SWIS#:33-AA-0239	Owned and operated by CR&R	Residual from Commingled Recyclables
South County C&D MRF 31643 Ortega Hwy, San Juan Capistrano, CA SWIS#: 30-AB-0395	Owned and operated by CR&R	Transported: Solid Waste, Green Waste and Food Waste, Commingled Recyclables Processed: Construction and Demolition Materials

C. DESIGNATED FACILITIES:

Disposal Facilities (Gray Container Waste and Residual Waste):

Frank R. Bowerman Landfill – Owner/Operator: OC Waste & Recycling - 11002 Bee Canyon Access Rd., Irvine, CA 92602 - SWIS: 30-AB-0360

Olinda Alpha Landfill – Owner/Operator: OC Waste & Recycling - 1942 N. Valencia Ave., Brea, CA 92823 - SWIS: 30-AB-0035

Prima Deshecha Landfill – Owner/Operator: OC Waste & Recycling - 32250 Avenida La Pata, San Juan Capistrano, CA 92675 - SWIS: 30-AB-0019

D. FACILITY CAPACITY GUARANTEE:

Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Food Waste, SSGCOW, and Mixed Waste Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall cause the Approved/Designated Facility(ies) to recover or Process the Discarded materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Food Waste, and Mixed Waste recovered from such operations; and Dispose of Residue. Franchisee shall cause Designated Facility(ies) for Disposal to Dispose of Gray Container Waste. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

- 1) Franchisee or Affiliate is owner of Approved Facilities: County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of review material. Franchisee will fully cooperate with the County's request and provide County and its agent(s) or access to Franchisee's records.
- 2) Franchisee's Subcontractor is the owner and/or operator of Approved Facilities: Upon County request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement.

E. EQUIPMENT AND SUPPLIES:

Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement and Applicable Law, including achieving all applicable standards for Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards. Franchisee is solely responsible for the adequacy, Safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service

obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumable as appropriate and necessary to operate the Approved Facility(ies) and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

F. FACILITY PERMITS:

Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

G. TRANSFER FACILITY:

At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport some or all Discarded Materials to an Approved Transfer Facility. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material, in a timely manner and in accordance with Applicable Law. Franchisee or Subcontractor shall perform the following pre-Processing activities at the Approved Transfer Facility.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials, as applicable for each type of Discarded Material. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all Residue.

Franchisee shall comply with separate handling requirements described in this Appendix.

H. FRANCHISEE-INITIATED CHANGE IN FACILITY(IES):

Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Administrator's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the Franchisee Area, and any other factor that may reasonably degrade the value received by the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Appendix, it shall submit a written request for approval to the County thirty (30) days prior to the desired date to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.

I. NOTIFICATION OF EMERGENCY CONDITIONS:

Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this

Agreement. Franchisee shall notify the County in accordance with Section 5.7 of the Agreement.

I. APPROVED FACILITY UNAVAILABLE/USE OF ALTERNATIVE FACILITY:

If Franchisee is unable to use an Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Franchisee Agreement, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the County Contract Administrator and Director and receives written approval from the County Contract Administrator or Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a High Diversion Organic Waste Processing Facility (for two- and one-Container systems and three- and three-plus Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray Containers); (iii) a "Designated Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials and SSGCOW (for Jurisdictions using the Performance-Based Compliance Approach per SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 17)); (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Franchisee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Approved Facility specified in this Appendix becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than seven (7) days, County may designate an Alternative Facility pursuant to Section 4.13 of this Agreement. The Parties agree that an Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event/Uncontrollable Circumstance as described in Section 11.2 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 4.13 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Appendix shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract

agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Article 5 of this Agreement and this Appendix unless County Contract Administrator or Director waives one or more requirements.

K. DISCARDED MATERIALS MONITORING, WASTE EVALUATION, AND CAPACITY PLANNING REQUIREMENTS:

Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Appendix 1-E, Section AE. to meet or exceed SB 1383 Regulatory requirements. Upon County request, the Franchisee shall also participate in capacity planning studies. The Franchisee acknowledges that the County is required by SB 1383 to coordinate Organic Waste and Edible Food Recovery capacity planning studies. The Company shall participate and/or provide information to the County as needed for the County's participation in such capacity planning studies. This information and/or participation may include, but is not limited to: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by the County for purposes of the study. The Franchisee shall respond to requests for information or participation from the County within sixty (60) days, unless another timeframe is otherwise specified or authorized by the County.

L. COMPLIANCE WITH APPLICABLE LAW:

Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

M. RECORDS AND INVESTIGATIONS:

Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

N. INSPECTION AND INVESTIGATIONS:

An authorized County employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other records required by County.

O. PROCESSING STANDARDS:

INFORMATION TO BE INCLUDED BASED ON PROPOSED PROCESSING APPROACH

P. RECOVERY REQUIRED:

Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste, and C&D to recover Recyclable materials and Organic Waste to reduce

Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations.

O. SEPARATE HANDLING REQUIREMENTS:

1. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, SSGCOW, Mixed Waste separate from each other and separate from other any other material streams and shall Process the materials separately from each other.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.
3. Pursuant to 14 CCR Section 17409.5.6(b) Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and,
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, composting, in-vessel digestion, or other recovery as specified in this Appendix 1-E, Section U; or,
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

R. RESIDUE DISPOSAL:

Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and shall use the Disposal Facility(ies) for such purpose.

S. PROCESSING FACILITY RESIDUE GUARANTEES:

Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The Residue level calculation method shall be reviewed and approved by the County.

T. SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING STANDARDS:

Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste which includes SSBCOW, at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

U. SSGCOW PROCESSING STANDARDS:

1. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC), in alignment with AB 1594 and SB 1383, the Franchisee shall not use Organic Waste as ADC or AIC.

2. Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).

 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).

 - c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.

 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).

 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).

 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.

 - g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility’s Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County’s final approval of such operation, Facility, or activity.

3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
4. “Overs” Management. The County may require that at no cost to the County, the Franchisee conduct and provide County-specific Organic Waste Processing Residue and “overs” composition data to the County reflecting then-current conditions and using a sampling protocol acceptable to the County, in its reasonable discretion. In the event that the composition of “overs” includes appreciable quantities of Organic Waste, as determined by Franchisee’s waste evaluation or visual assessment by the County, the Franchisee shall immediately inform the County Contract Administrator and propose a strategy for reducing the “overs” level. At the Franchisee’s expense, Franchisee shall implement the “overs” management strategy within thirty (30) working days of County approval. Such a strategy may include having the Approved Organic Waste Processing Facility re-grind large woody “overs” (after removal of contaminants) and reintroduce the ground “overs” into the composting process in order to increase the recovery of that material and reduce the Organic Waste contained in the materials sent to Disposal, or may include an alternative approach approved by the County.
5. Limits on Incompatible Materials in Recovered Organic Waste
 - a. Limits. Except as described in this Appendix 1-E, Section U.5.c., Franchisee’s Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
 - b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
 - c. Exceptions. The limits in this Appendix 1-E, Section U.5.c., shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with this Appendix 1-E, Section G.;
 - ii. A compostable materials handling facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section

17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:

- (A) On and after January 1, 2022, less than 20 percent (20%); and,
 - (B) On and after January 1, 2024, less than 10 percent (10%).
- iv. An activity that meets the definition of a recycling center as described in 14 CCR Section 17402.5(d).

V. HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY REQUIREMENTS (ORGANICS IN GRAY CONTAINER):

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on incompatible materials in the recovered Organic Waste.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17409.5.1. Franchisee shall report the Organic Waste recovery efficiency measurement results to the County in accordance with Appendix 6 of the Agreement, and shall notify the County within thirty (30) days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the County within thirty (30) days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the County and CalRecycle.
5. If County is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the County shall have the right to direct use of an Alternative Facility in accordance with Section 4.13, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The County may assess Liquidated Damages in accordance with Section 9.3 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the County and with no increase to Rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

W. CONSTRUCTION & DEMOLITION (C&D) PROGRAM STANDARDS:

1. Franchisee shall comply with the County's Construction and Demolition (C&D) Debris Diversion Program.

X. PLASTIC BAGS:

Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing SSGCOW.

Y. COMPOSTABLE PLASTICS:

Franchisee shall accept Compostable Plastics at the Approved Organic Waste Processing Facility. Franchisee shall annually submit to County written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.

Z. MARKETING:

Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the County.

Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal Tonnage at the Designated Disposal Facility. No Source Separated Recyclable Materials, SSGCOW, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, SSGCOW, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable", nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement.

AA. DISPOSAL OF SOURCE SEPARATED RECYCLABLE MATERIALS, SSGCOW, AND MIXED WASTE PROHIBITED:

With the exception of Processing Residue, Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the County Contract Administrator or Director.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within fourteen (14) days. Depending on the nature of the Franchisee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

AB. GRAY CONTAINER WASTE DISPOSAL STANDARD (WITHOUT ORGANIC WASTE):

- 1) **Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.
- 2) **Disposal at Designated Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

AC. WEIGHING OF DISCARDED MATERIALS:

- 1) **Maintenance and Operation.** This Section AC. of Appendix 1-E applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Appendix 1-E, Section AC.7.
- 2) **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded ("tare") weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.
- 3) **Substitute Scales.** If any scale at an Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.

- 4) **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Appendix 1-E, for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- 5) **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- 6) **Records.** Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).
- 7) **Exceptions to Weighing Requirements.** If an Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County Contract Administrator or Director.
- 8) **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the name of the driver of any particular load if available.

AD. REJECTION OF EXCLUDED WASTE:

- 1) **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- 2) **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

AE. DISCARDED MATERIALS EVALUATIONS AT APPROVED FACILITIES:

- 1) **General.** Franchisee shall conduct the following “evaluations” at Approved Facilities if required by Applicable Law referenced below:
 - a) Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.
 - b) Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).
- 2) **Record Keeping and Reporting.** For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis in accordance with Appendix 6.
- 3) **Scheduling of Evaluations.** Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Approved Facility(ies) at least fourteen (14) days in advance of the evaluations.
- 4) **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Appendix 1-E, conducted at the Approved Facility(ies).

APPENDIX 2-A

MAXIMUM RATES FOR RESIDENTIAL SERVICE

CR&R
RESIDENTIAL CURBSIDE CART RATES AND SERVICE LEVELS
FRANCHISE AREA 9

Residential Curbside Customer Rates*

Row	Service Level	Franchise Area 9
		Rancho Mission Viejo
1	Basic Service - # of Accts (1)	\$ 20.95
2	Senior Discount - 10%	\$ 18.86
3	Extra Recycling Cart - # of Carts	\$ 3.67
4	Extra Organics Cart - # of Carts	\$ 7.05
5	Extra Waste Cart - # of Carts	\$ 7.53
6	Extra Bulky Item Pickup Above 3 per Year	\$ 32.38
7	Extra Pickup per Cart - Residential Accounts (2)	\$ 32.38
	Other Services	
9	Special access vehicle P6Z (3)	
10	Senior/Low Income Discount - Special access vehicle P6Z (3)	
11	Private Roads/Valet Service - Burro P6X(4)	
12	2X a week Curbside Service	
13	2X a week Walk-In Service	

**APPENDIX 2-B
MAXIMUM RATES FOR COMMERCIAL**

**CR&R
MULTI-FAMILY AND COMMERCIAL BIN RATES
FRANCHISE AREA 9**

Monthly Rates*

Row	Service Level	FA 9
		Rancho Mission Viejo
2 CY Refuse Bin		
1	1x/week	\$ 151.64
2	2x/week	\$ 280.53
3	3x/week	\$ 399.76
4	4x/week	\$ 513.02
5	5x/week	\$ 622.04
6	6x/week	\$ 727.78
7	Extra Pickup	\$ 75.82
3 CY Refuse Bin		
8	1x/week	\$ 162.47
9	2x/week	\$ 300.57
10	3x/week	\$ 428.31
11	4x/week	\$ 549.66
12	5x/week	\$ 666.47
13	6x/week	\$ 779.77
14	Extra Pickup	\$ 81.23
4 CY Refuse Bin		
15	1x/week	\$ 173.30
16	2x/week	\$ 320.61
17	3x/week	\$ 456.86
18	4x/week	\$ 586.31
19	5x/week	\$ 710.90
20	6x/week	\$ 831.75
21	Extra Pickup	\$ 86.65
Locked 3 CY Refuse Bin		
22	1x/week	\$ 187.47
23	2x/week	\$ 346.82
24	3x/week	\$ 494.22
25	4x/week	\$ 634.24
26	5x/week	\$ 769.02
27	6x/week	\$ 899.75
28	Extra Pickup	\$ 93.73
Locked 4 CY Refuse Bin		
29	1x/week	\$ 198.30
30	2x/week	\$ 366.86
31	3x/week	\$ 522.77
32	4x/week	\$ 670.89
33	5x/week	\$ 813.45
34	6x/week	\$ 951.74
35	Extra Pickup	\$ 99.15
2 CY Organics Bin		
36	1x/week	\$ 203.58
37	2x/week	\$ 376.62
38	3x/week	\$ 536.69
39	4x/week	\$ 688.75
40	5x/week	\$ 835.11
41	6x/week	\$ 977.08
42	Extra Pickup	\$ 101.79
Manure Collection		
43	Specify Container Size: 2 CY	
44	1x/week	\$ 193.31
45	2x/week	\$ 357.63
46	3x/week	\$ 509.62
47	4x/week	\$ 654.02
48	5x/week	\$ 793.00
49	6x/week	\$ 927.81
50	Extra Pickup	\$ 96.66
51	Recycling Bin (all sizes): Recycling Bins and Extra Pickups at no additional charge	

**MULTI-FAMILY AND COMMERCIAL CART
RATES AND SERVICE LEVELS
FRANCHISE AREA 9**

Monthly Customer Rates*

Row	Service Level	Franchise Area 9
		Rancho Mission Viejo
65-Gallon Organics Cart		
1	1x/week	\$ 158.10
2	2x/week	\$ 292.49
3	3x/week	\$ 416.80
Any Size Refuse Cart		
4	1x/week	\$ 102.63
5	2x/week	\$ 189.86
6	3x/week	\$ 270.56
7	4x/week	\$ 347.21
8	5x/week	\$ 421.00
9	6x/week	\$ 492.57
Any Size Recycling Cart		
10	1x/week: Recycling Cart at no charge	

APPENDIX 2-C

MAXIMUM RATES FOR OTHER SERVICES

**CR&R
ROLL-OFF CONTAINER RATES
FRANCHISE AREA 9**

Customer Rates

Row	Service Level	Franchise Area 9
		Rancho Mission Viejo
Monthly Customer Rates*		
1	31-40 CY Roll-Off (Standard)	\$ 493.00
2	Over 40 CY Roll-Off	\$ 493.00
3	21-30 CY Compactor	\$ 565.90

**CR&R
RATES FOR OTHER SERVICES
FRANCHISE AREA 9**

Rates Per Occurrence for Other Services*

Row	Service	Franchise Area 9
		Rancho Mission Viejo
1	Bin cleaning above 1x yr per Section 4.3.D	\$ 70.00

APPENDIX 3-A

EXAMPLE RATE ADJUSTMENT CALCULATION FOR 7/1/2022

Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUSR0000SEHG
 Seasonally Adjusted
 Series Title: Water and sewer and trash collection services in U.S.
 Area: U.S. city average
 Item: Water and sewer and trash collection services
 Base Period: DECEMBER 1997=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2011	175.680	176.822	177.543	178.119	178.706	179.304	179.862	180.111	181.475	181.794	182.370	183.219		
2012	183.960	185.051	185.999	187.400	187.921	189.068	189.776	191.422	191.777	192.337	193.119	193.706		
2013	194.548	195.060	195.671	196.180	196.872	197.503	198.145	198.366	198.742	199.822	200.186	200.661		
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.207	226.972	227.350	227.896	228.482	228.825	229.171	229.639	230.173	230.855	231.607	232.094		
2018	232.750	233.600	234.039	234.886	235.933	236.696	237.342	238.320	238.579	239.183	241.825	242.425		
2019	241.369	241.783	242.449	243.242	243.841	244.536	245.090	245.421	246.009	246.979	247.373	247.730		
2020	248.614	249.552	250.214	250.450	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572		
2021	257.483	258.557												
Average	252.455													
Change in CPI	0.0154													

Source: Bureau of Labor Statistics

Generated on: March 24, 2021 (06:16:57 PM)

APPENDIX 3-B

EXAMPLE FRANCHISE FEE ADJUSTMENT CALCULATION

OC Waste & Recycling

Annual Exclusive Franchise Fee Adjustment

Effective July 1, 2020

SAMPLE

Month 1	(1-(July 2018 ÷ July 2019))	3.16%
Month 2	(1-(August 2018 ÷ August 2019))	2.88%
Month 3	(1-(September 2018 ÷ September 2019))	2.91%
Month 4	(1-(October 2018 ÷ October 2019))	3.09%
Month 5	(1-(November 2018 ÷ November 2019))	3.13%
Month 6	(1-(December 2018 ÷ December 2019))	2.87%
Month 7	(1-(January 2019 ÷ January 2020))	2.98%
Month 8	(1-(February 2019 ÷ February 2020))	3.25%
Month 9	(1-(March 2019 ÷ March 2020))	1.91%
Month 10	(1-(April 2019 ÷ April 2020))	0.69%
Month 11	(1-(May 2019 ÷ May 2020))	0.85%
Month 12	(1-(June 2019 ÷ June 2020))	1.35%

Average	2.42%
---------	-------

Franchise Fee

Effective

1-Jul-2020

Base Rate

Base Rate		Average Change in Monthly CPI for Previous		Increase
\$300,000.00	X	(2.42%)	=	\$7,267.88
(A)				(B)

Franchise Fee

Effective

1-Jul-2021

(A) + (B) =

\$307,267.88

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121									

							3.16%	2.88%	2.91%	3.09%	3.13%	2.87%			
	2.98%	3.25%	1.91%	0.69%	0.85%	1.35%									

Average of 12 previous months Year over Year
 2.42%

APPENDIX 4

IMPLEMENTATION AND COMPLIANCE PLAN

COUNTY OF ORANGE IMPLEMENTATION PLAN OF ACTION (IPOA)											
Programs and Tasks	Agency Responsible	Year:2021									
		March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Franchise Approval	County			X							
1. Asset Purchases											
Vehicles Ordered	CR&R		X								
Residential Containers Ordered	CR&R		X								
Negotiate Existing Container Deal w/ Incumbent Hauler(s)	CR&R			X	X						
Commercial Bins Ordered	CR&R		X								
Order Container and Bin Decals	CR&R			X							
2. Brochures and Outreach											
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County			X	X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Recycling Guide and outreach items	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X	X			
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X	X					
County Specific Website Pages for County approval	CR&R			X	X	X					
Commence Recycling Outreach & Field Surveys	CR&R			X	X	X	X				
Community workshops	CR&R			X	X	X					
Quarterly Newsletters	CR&R								X		
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X					
						X					X
3. Customer Information											
Preliminary Review of Existing Customer Data Base	CR&R			X	X						
Identify Multiple-cart customers and contact as needed	CR&R			X	X	X					
Route Sheets reviewed and revised	CR&R			X	X						
Customer Data Base Updated with Route #'s	CR&R				X						
Multi-Family Customers Identified and Routed	CR&R				X						
Commercial Field Surveys start/finish	CR&R			X	X	X					
4. Start-Up											
County Staff meeting(s)	County & CR&R	X	X	X	X	X	X	X	X	X	X
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained (as needed)	CR&R			X	X						
Driver Interviews and Offers (as needed)	CR&R			X	X						
Driver Training (as needed)	CR&R			X	X						
CSR Manual Completed	CR&R			X	X						
Route Supervisor(s) identified	CR&R			X	X						
Residential Container and Kitchen Pail deliveries (as needed)	CR&R				X						
Commercial Bin deliveries (as needed)	CR&R				X						
Commence Service	CR&R					X					
Residential Commingled Characterization Studies	CR&R									X	
Commercial MSW Characterization Studies	CR&R									X	
Roll-off MSW Permanent Characterization Studies	CR&R									X	
Commercial Organics Characterization Studies	CR&R									X	
Roll-off C&D Characterization Studies	CR&R									X	

APPENDIX 5

OUTREACH AND EDUCATION PLAN

APPENDIX 5 - Outreach & Education Plan											
COUNTY OF ORANGE PUBLIC OUTREACH & EDUCATION PLAN											
Tasks	Agency Responsible	Year:2021									
		Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Award of Contract	County			X							
Recycling Coordinator(s) - Initiate Recruitment(s), Hire and Train	CR&R			X	X	X					
CSRs Recruited, Hired and Trained	CR&R			X	X						
Develop and Finalize Transitional Outreach and Education Plan	CR&R & County			X	X						
Letter from County announcing new programs	CR&R & County				X						
Develop and Mail Introductory mailer sent to customers - Transitional Dates, Service Levels, Programs	CR&R				X						
Develop New Residential "How-to" Recycling Guide	CR&R			X	X						
Develop New Commercial "How-to" Recycling Guide	CR&R			X	X						
Develop New Multi-family "How-to" Recycling Guide	CR&R			X	X						
Develop printed signage & posters for Multi-Family and Commercial Properties	CR&R			X	X						
Develop PSAs for distribution through various mediums	CR&R			X	X						
Develop required Bill Inserts	CR&R			X	X						
County Review and Approvals of Brochures	County			X	X						
If desired, schedule County Workshop meeting	County			X	X						
Develop Newsletter ideas, issues & articles	CR&R					X	X				
SFD Cart Lid graphics development and County approval	CR&R			X	X						
Develop Cart Tags	CR&R			X	X						
Identify HOA's and offer workshops	CR&R & County			X	X						
County Specific Website Pages for County approval	CR&R			X	X						
Commence Recycling Outreach & Field Surveys	CR&R			X	X						
Community workshops	CR&R			X	X						
Quarterly Newsletters	CR&R								X		
Identify Multiple-cart customers and contact as needed	CR&R				X	X					
Develop Food Recovery Outreach & Education	CR&R				X	X					
Develop and Submit Annual Public Education Plan	CR&R				X	X				X	

APPENDIX 6

RECORD KEEPING AND REPORTING

A. GENERAL

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or Orange County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Appendix and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

B. RECORD KEEPING

- 1) **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Appendix 6 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by Sections C and D of this Appendix, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed five (5) Business Days from the time of County's request to Franchisee.

- 2) **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Appendix. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. County reserves the right to require the Franchisee to maintain the records required herein through the use of a County-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Appendix, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

- 3) **Maintenance of Financial and Operational Records.** Franchisee shall maintain financial and operational records in accordance with Section 9.4.
- 4) **CERCLA Defense Records.** Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the County was landfilled (and therefore establish where it was not landfilled) and provide a summary copy of the reports required in Appendix 6, Section E for not less than five (5) years following the termination of this Agreement, and agrees to notify County Director before destroying such records thereafter. At any time, including after the expiration of the Term hereto, Franchisee shall provide copies of such records to County in the form required by County, which may be in an electronic format. Franchisee shall continue to retain records for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. Franchisee agrees to notify the County's Risk Manager and the County Attorney at least ninety (90) days before destroying such records. The requirements of this section shall survive the expiration of the Term of this Agreement.
- 5) **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

C. Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within five (5) work days of a written request, Franchisee shall make available to the County for examination at reasonable locations within the County the Franchisee's data and records with respect to the matters covered by this Agreement and the Orange County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the Orange County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or its designee, shall maintain the confidentiality of the Franchisee's Customer list and other proprietary information, to the extent allowed by law.

D. Reporting - General

- 1) **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including but not limited to AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding

regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

2) Failure to Report. Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 9.3 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County Contract Administrator or Director, in accordance with Section 11.1 of this Agreement.

3) Report Format

County shall provide to Franchisee the format for each report submittal not later than thirty (30) days prior to the due date for such report. If County fails to specify the format as required, Franchisee shall use the report format specified for the prior reporting period.

4) Submittal Process. All reports shall be submitted to the County, or as directed by the County Contract Administrator or Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. County reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Franchisee's expense.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

E. Reporting - Monthly Reports

Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently-completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

1) Tonnage Report

- a. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section AC of Appendix 1-E. Tonnage shall be reported separately by:
 - i. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - ii. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off); and,
 - iii. Approved Facility and Facility type.
- b. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- c. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- d. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
- e. A summary of abandoned materials incidents, including: total number of incidents, the address of each incident,

and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

2) Collection and Subscription Report

- a. Number of Containers at each Service Level by Customer Type and program, including:
 - i. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - ii. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- b. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- c. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- d. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

3) Contamination Monitoring Report

Option 1: Hauler Route Reviews

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement:

- a. The number of Hauler Route reviews conducted pursuant to Section 5.6 of this Agreement;
- b. Description of the Franchisee's process for determining the level of contamination;
- c. Summary report of non-Collection notices, and courtesy Collection notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
- d. A record of each inspection and contamination incident, which shall include, at a minimum:
 - i. Name of the Customer
 - ii. Address of the Customer
 - iii. The date the contaminated Container was observed
 - iv. The staff who conducted the inspection
 - v. The total number of violations found and a description of what action was taken for each
 - vi. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - vii. Any photographic documentation or supporting evidence.
- e. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
- f. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section 5.6 of this Agreement:

- a. A description of the Franchisee's process for conducting waste evaluations.
- b. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
- c. Copies of all notices issued to Generators with Prohibited Container Contaminants.
- d. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
- e. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

4) Customer Service Report

- a. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
- b. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
- c. Number of new service requests for each Customer type and requested service(s).
- d. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 9.2 of this Agreement and submit the following information:
 - i. Total number of complaints received and total number of complaints investigated
 - ii. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - a. The complaint as received;
 - b. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - c. The identity of the alleged violator, if known;
 - d. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - e. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - f. The identity of any witnesses, if known.

- iii. Copies of all complaint reports submitted to the County, pursuant to Section 9.2 of this Agreement.
- iv. Copies of all investigation reports submitted to the County pursuant to Section 9.2 of this Agreement, which shall include at a minimum:
 - a. The complaint as received;
 - b. The date the Franchisee investigated the complaint;
 - c. Documentation of the findings of the investigation;
 - d. Any photographic or other evidence collected during the investigation; and,
 - e. Franchisee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

5) Education Program Report

The monthly status of activities identified in the annual public education plan described in Appendix 5 of this Agreement.

6) Discarded Materials Evaluation Reports

In accordance with Appendix 1-E, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

F. Annual Reports

In addition to the monthly reporting requirements in this Appendix 6, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Appendix. The Annual Report shall include the information in the following subsections.

1) Collection and Subscription Report

- a. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
- b. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
- c. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- d. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

2) Public Education and Outreach Report

- a. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 7.4 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
- b. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.

- c. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
- d. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
- e. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
- f. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
- g. The annual public education plan required by Section 7.4 of the Agreement shall be submitted to the County at least sixty (60) days prior to January 1 of each Contract Year.
- h. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 7.5 of the Agreement, including:
 - i. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - ii. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - iii. A copy of any written or electronic educational materials distributed during the technical assistance process.

3) Compliance Monitoring and Enforcement Report

- a. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 9.2 of the Agreement.
- b. The total number of Hauler Route reviews conducted pursuant to Section 5.6 of the Agreement.
- c. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
- d. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.6 of the Agreement.
- e. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee per Section 7.7(B), and the number of violations found and corrected through compliance reviews; including a list with each Generator's name or account name, address, and Generator type.
- f. The total number of Notices of Violation issued, categorized by type of Generator.
- g. The number of violations that were resolved, categorized by type of Generator.
- h. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

4) Food Recovery Program Support

- a. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the Franchise Area.
- b. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery.
- c. The number of Generators participating in the Edible Food recovery program, as described in Section 7.6 of the Agreement.

- d. Option: Franchisee participates in Collection of Edible Food: Documentation of the total pounds of Edible Food recovered in the previous calendar year, a list of partner Food Recovery Organizations or Food Recovery Services that recovered the Edible Food, and copies of donation weight logs, Food Recovery contracts and written agreements, and any other documentation of donation or transportation activities between the Franchisee and the Food Recovery Organization or Food Recovery Service.
- e. Option: Franchisee provides financial support directly to the organizations; Documentation of any financial support given by the Franchisee directly to Food Recovery Organizations or Food Recovery Services, including receipts, invoices, or other documentation relevant to the type of support provided.
- f. Option: If Franchisee supports the County's Edible Food Recovery capacity planning or compliance reviews: The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement. The findings shall include the number of Commercial Edible Food Generator Customers participating in a food recovery program, the number of Commercial Edible Food Generator Customers not participating in a Food Recovery program, and the reasons for participation or non-participation if gathered during the review.

5) Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.

6) Customer Revenue Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement in accordance with Article 10 of this Agreement.

G. Additional Reports

- 1) **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Administrator, which shall not to exceed ten (10) days.
- 2) **AB 901 Reporting.** At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis or within ten (10) Business Days of the request.
- 3) **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials,

SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.

- b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.
- c. Be submitted using a form or format approved by the County Contract Administrator.

H. Customized Reports.

County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain. The Franchisee shall provide any reports required by this Agreement in a format requested by the County. The Franchisee shall upload data and reports using the required data management tool or software requested by the County.

APPENDIX 7

FRANCHISE AREA SPECIFIC PROGRAMS

A. ANNUAL SHREDDING EVENT

Franchisee shall conduct a shredding event annually at no additional charge.

B. RESIDENTIAL COMPOST GIVEAWAY

Franchisee shall conduct a compost give-away event annually at no additional charge. Compost will be pre-bagged in one-yard bags or mutually agreed upon by the County and Franchisee.



County Executive Office

584B

Memorandum

May 13, 2021

To: Clerk of the Board of Supervisors
From: Frank Kim, County Executive Officer
Subject: Exception to Rule 21

Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County
of Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2021.05.13 11:25:58
-0700'

RECEIVED
2021 MAY 13 PM 2:23
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

The County Executive Office is requesting a Supplemental Agenda Staff Report for the May 25, 2021, Board Hearing.

Agency: OC Waste & Recycling
Subject: Approve Non-Exclusive Franchise Agreements for Temporary Discarded Material Collection
Districts: All Districts

Reason for supplemental: This item must be heard on May 25, 2021, in order to ensure adequate time to execute the new agreements prior to the current agreements' expiration dates of June 30, 2021. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur: 
Andrew Do, Chairman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

MEETING DATE: 05/25/21
 LEGAL ENTITY TAKING ACTION: Board of Supervisors
 BOARD OF SUPERVISORS DISTRICT(S): All Districts
 SUBMITTING AGENCY/DEPARTMENT: OC Waste & Recycling
 DEPARTMENT HEAD REVIEW: Thomas Koutroulis
Department Head Signature
 DEPARTMENT CONTACT PERSON(S): Tom Koutroulis (714)834-4122
 Lisa Smith (714)834-4357

RECEIVED
 2021 MAY 14 PM 1:52
 CLERK OF THE BOARD
 ORANGE COUNTY
 BOARD OF SUPERVISORS

SUBJECT: Approve Non-Exclusive Franchise Agreements for Temporary Discarded Material Collection

CEO CONCUR <u>Michelle Aguirre</u> <i>CEO Signature</i>	COUNTY COUNSEL REVIEW <u>Approved as to form</u> <i>Action</i> <u>[Signature]</u> <i>County Counsel Signature</i>	CLERK OF THE BOARD Discussion 3 Votes Board Majority
---	---	--

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** No

Current Fiscal Year Revenue: N/A

Funding Source: N/A **County Audit in last 3 years:** No

Prior Board Action: 6/23/2020 #19, 12/08/2009 #48, 02/27/2007 #21, 12/19/2006 #30

RECOMMENDED ACTION(S):

1. Find that the project is categorically exempt from CEQA, Class 1 (Existing Facilities) and Class 8 (Actions by Regulatory Agencies for Protection of the Environment), pursuant to CEQA Guidelines Section 15301 and Section 15308.

2. Approve and authorize OC Waste & Recycling Director or designee to execute Non-Exclusive Franchise Agreements for Temporary Discarded Material Collection with qualified companies.

SUMMARY:

Approval of Non-Exclusive Franchise Agreements to provide temporary discarded materials management services for residents and businesses, within the nine Franchise Areas located throughout unincorporated areas of Orange County, will allow OC Waste & Recycling to maintain compliance with state regulations.

BACKGROUND INFORMATION:

As the responsible entity for managing Orange County's solid waste disposal system that is currently comprised of three active regional landfill operations, 20 closed solid waste disposal sites and four Household Hazardous Waste Collection Centers, OC Waste & Recycling (OCWR) is required to comply with legislation including, but not limited to, The California Integrated Waste Management Act of 1989 (AB 939), which mandated that cities and counties reduce the amount of waste disposed in landfills by 50 percent by the year 2000 or potentially incur fines of up to \$10,000 per day.

In September 2016, Senate Bill (SB) 1383 (Lara, Chapter 395, Statutes of 2016) was signed into law, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. SB 1383 establishes targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. It also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. Jurisdictions across the state must implement several new programs, increase education and outreach, enact enforcement mechanisms and make several changes to the way discarded materials are handled in order to comply with the regulations of SB 1383. If a jurisdiction fails to comply with these provisions, CalRecycle will begin enforcement action and penalties beginning in 2022.

OCWR currently administers Non-Exclusive Franchise Agreements with four haulers. The Non-Exclusive Franchise Agreements provide services for discarded materials generated by temporary construction and demolition sites.

The current Franchise Agreements were initially approved by the Board of Supervisors (Board) on December 15, 1998, each for a 10-year term. On December 19, 2006, the Board extended the Franchise Agreements for three years, effective July 1, 2007, through June 30, 2010, with the exception of Franchise Area 5. This Area was divided into two parts, CA-1 (Orange Park Acres and the Canyons) and CA-2 (El Modena). El Modena) was assigned to Waste Disposal as approved by the Board on February 27, 2007. OCWR issued a Request for Proposal for Orange Park Acres and the Canyons and Waste Management was awarded the assignment, effective June 26, 2007, through June 30, 2010. On December 8, 2009, the Board approved a 10-year extension for the Exclusive and Non-Exclusive Franchise Agreements, effective July 1, 2010, through June 30, 2020. On June 23, 2020 the Board approved a one-year extension to the Agreements, effective July 1, 2020 through June 30, 2021.

As part of the franchise administration process, OCWR administers Non-Exclusive Agreements in the unincorporated areas of Orange County as the Exclusive Franchise Agreements do not provide provisions for temporary service. The Non-Exclusive Agreements allow qualified, interested companies the opportunity to provide this service for construction and demolition debris as well as general clean-up materials. These Non-Exclusive Agreements allow additional waste haulers to secure business in the unincorporated areas of Orange County on an as-needed basis. There are currently four Non-Exclusive

Agreements in place, and all are due to terminate June 30, 2021. Approval of the new Non-Exclusive Agreement as to form will support OCWR's ability to establish temporary bin service.

Approval of the Non-Exclusive Franchise Agreements will allow services to continue uninterrupted for the Franchise Areas located in the unincorporated parts of Orange County. These agreements will ensure the County is in compliance with state legislation and regulations created by SB 1383.

Compliance with CEQA:

The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures and facilities and involves negligible or no expansion of existing or former use beyond that existing at the time of the lead agency's determination. The proposed project is also Categorical Exempt (Class 8) from the provisions of CEQA pursuant to Section 15308, because it consists of actions taken by a public agency, as authorized by state or local ordinance, for protection of the environment. The approval of the Non-Exclusive Franchise Agreements will allow for the continuation of waste management services for County unincorporated areas, which is consistent with a Class 1 and Class 8 Categorical Exemption determination.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Non-Exclusive Franchise Agreement

**NON-EXCLUSIVE
FRANCHISE AGREEMENT**

between

the County of Orange, California

and

INSERT COMPANY

**County of Orange
OC Waste & Recycling**

**INSERT
DATE**

This Non-exclusive Franchise Agreement for Temporary Discarded Material Collection (this “Franchise”) is entered into on the [] day of [], 20[], between the County of Orange, a political subdivision of the State of California (hereinafter “County”), and [COMPANY NAME], (hereinafter “Franchisee”) (together, the “Parties”).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“AB 939”) established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse and recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, Section 40059 of the California Public Resources Code provides that the County may determine aspects of solid waste handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees and nature, location and extent of providing solid waste handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive franchise, contract, license, permit or otherwise, either with or without competitive bidding; and

WHEREAS, the County is obligated to protect the public health and safety of the residents of the County Unincorporated Areas and arrangements by waste haulers for the collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016, (SB 1383) establishes, regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County’s designee, through this agreement; and

WHEREAS, the County and the Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, including, without limitation, AB 341, AB 939, AB 1826, AB 1594, SB 1383 and the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. 9601 *et seq.*; and

WHEREAS, the Franchisee represents and warrants to the County that it has the experience, responsibility, and qualifications to conduct the services detailed herein, and to arrange with residents and other entities in the County Unincorporated Areas for the collection, safe transport and disposal of Temporary Wastes; and

WHEREAS, the Board of Supervisors of the County of Orange determines and finds that the public interest, health, safety and well-being would be served if the Franchisee performs

collection services of Temporary Waste; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Board of Supervisors is empowered to enter into agreements with any person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, the Board of Supervisors authorized the execution of this Agreement.

Now, therefore, the County and Franchisee agree as follows:

DEFINITIONS

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341”, as it may be amended, supplemented, superseded, or replaced from time to time.

“AB 876” means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 901” means the Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 4.821.8 to, the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

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

“AB 1594” means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Section 40507 and 41781 of the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, or replaced from time to time.

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826”, as amended, supplemented, superseded, or replaced from time to time.

“Affiliate” means any person, corporation or other entity directly or indirectly controlling or controlled by another person, corporation or other entity, or under direct or indirect common management or control with such person, corporation or other entity. As between any two or more persons or entities, when 10% of one is owned, managed, or controlled by another, they are hereunder Affiliates of one another.

“Agreement” means this Nonexclusive Franchise Agreement for Temporary Solid Waste Collection.

“Annual Fee” means Franchisee’s share of the annual costs of franchise administration incurred or projected to be incurred by the County.

“Applicable Law” means AB 341, AB 876 AB 901, AB 939, AB 1594, AB 1826, and SB 1383, and corresponding regulations, the Orange County Code, CERCLA, RCRA, CEQA, the Occupational Safety and Health Act, 29 U.S.C. §.651 et seq.; The California Occupational Safety and Health Act of 1973, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition,

construction, equipping, financing, ownership, possession, operation or maintenance of the County Disposal System, the transfer, handling, transportation, Processing, and Disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes) and any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services; the Operating Assets; the siting, design, acquisition, permitting, construction, equipping, financing, ownership, possession, shakedown, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, and further including the Orange County Code and the County Integrated Waste Management Plan).

“Bin” means a container or bin having a capacity of one (1) or more cubic yards.

“Board of Supervisors” means the Board of Supervisors of the County of Orange.

“Bulky Items” or **“Bulky Waste”** means Discarded Materials that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); yard debris, Greenwaste and small pieces of wood limited to one cubic yard of contained material; electronic equipment (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as “brown goods” and “e-waste”); fluorescent bulbs, household batteries; and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event that a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, County shall be responsible to determine whether said definition shall apply, which determination shall be final.

“California Code of Regulations” or **“CCR”** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.)

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

“Cart” means a plastic Container with a hinged lid and wheels with a capacity of no less than 30 and no greater than 101 gallons, serviced by an automated or semi-automated truck.

“CEQA” means the California Environmental Quality Act, codified at California Public Resources Code Section 21000 *et seq.*, as amended or superseded, and the regulations

promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the Franchisee of the Franchise Services (except for payment obligations):

- (1) The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation thereof on or after the Franchise Date of any Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California, the U.S. Federal government, or a local government related to the collection, handling, transportation, processing, recycling or disposal of Solid Waste;
- (2) The order or judgment of any Governmental Body, on or after the Franchise Date, to the extent that such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, 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.

“Collect” or **“Collection”** means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County, and Transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

“Construction and Demolition Debris” or **“C&D Debris”** means County Discarded Materials generated, produced, or discarded in connection with construction, demolition, landscaping, or general clean-up activities within the Franchise Areas, including (without limitation) concrete, plaster, drywall, greenwaste, wood scraps, metals, dirt, rock and rubble.

“Container” means any temporary bin or Container used by a Generator in connection with the Franchise Services.

“Contract Administrator” has the meaning set forth in Section 4.1(J).

“County” means the County of Orange, California, a political subdivision of the State of California and all the unincorporated area within the boundaries of the County as presently existing, or as such unincorporated area may be modified during the Term of this Agreement.

“County Code” or **“OCCO”** means the Orange County Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

“County Disposal System” means the Orange County Waste Disposal System which, at the time of execution of this Franchise Agreement, includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed former solid waste stations formerly operated by the County, as appropriate under Applicable Law. Individual elements of the County Disposal System may be

expanded or reduced over the course of this Franchise Agreement.

“Customer” means the Person or Persons initiating construction, remodeling, repair or demolition operations on any house, residential property, commercial building, pavement or other structure who has arranged for Collection services under this Agreement. The definition of Customer also includes any agent, contractor, or other Persons working on Customer’s behalf.

“Director” means the Director of OC Waste & Recycling, or designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Director.

“Discarded Materials” means Bulky Items, Source Separated Recyclable Materials, Source Separated Organic Waste, Food Waste, Gray Container Waste, and Mixed Waste that have been discarded by Generator or Customer. For the purposes of this Agreement, Discarded Materials shall only include the Discarded Materials placed by Generator or Customer for the purpose of Collection by Collector.

“Disposal” or “Dispose” means the ultimate disposition of Solid Waste collected by Franchisee or residue from Franchisee’s Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

“Divert” or “Diversion” means to prevent Recyclables and Organic Waste from Disposal at landfill through Source Reduction, Reuse, Recycling, composting, and anaerobic digestion, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, , volatile, corrosive, Medical Waste, regulated radioactive waste, and toxic substances or material that Approved/Designated Facility operator(s) reasonably believe would, as a result of or upon acceptance, Transfer, Processing, or Disposal, would be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills or accepted at the Facility by permit conditions, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public resources Code.

“Facility” means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

“Franchise Area” consists of all County Unincorporated Areas.

“Franchisee” refers to any entity that enters into this Agreement for temporary collection services granted by the County.

“Franchise Date” means date of approval of this between the County and the Franchisee.

“Franchise Services” are all of the duties and obligations of the Franchisee hereunder.

“Generator” means any Person whose act first causes Discarded Materials to become subject to regulations under Orange County Code of Ordinances Title 4 Division 3 Article 2 or under federal, State or local regulations, or other Applicable Law.

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos, under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in Title 40 of the Code of Federal Regulations (CFR) Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in Title 10 CFR Part 40.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Franchise Services.

“Landfill” means a “Solid Waste Landfill” defined by Public Resources Code Section 40195.1.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

“Process”, “Processed” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste, including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

“Processing Facility” means any facility, including, but not limited to a Materials Recovery Facility (MRF), that removes Recyclable Materials from County Discarded Materials prior to the delivery of County Acceptable Solid Waste to the County Disposal System.

“Recyclable Materials” means paper, plastic, glass, metals or other materials having economic value contained within Discarded Materials or Source-Separated Recyclable Materials and may also include any other type of recyclable waste material agreed on by the Parties.

“Recycle”, “Recycled”, or “Recycling” means the process of collecting, sorting, cleansing, treating, reconstituting, or otherwise processing materials that are or would be disposed of in the Disposal System and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“SB 1383” means Senate Bill 1383, the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emission of short-lived climate pollutants as it may be amended, supplemented, superseded, or replaced from time to time.

“SB 1383 Regulations” or **“SB 1383 Regulatory”** refers to the Short-Live Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of Regulations of 14 CCR and 27 CCR.

“Solid Waste” means all garbage, solid waste, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally Discarded by or Collected from Residential (Single-Family and Multi-Family), Commercial, industrial, governmental, and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously processed. Materials shall be deemed “Solid Waste” consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such. Solid Waste includes Organic Waste and Recyclable Materials when they are not source separated, but does not include Source-Separated Organics Waste, Source-Separated Recyclable Materials, Hazardous Waste, Medical Waste, Liquid Waste, Scrap Materials, Construction and Demolition Debris, or Self-Hauled Waste.

“Solid Waste Ordinance” means the Orange County codified ordinances, Section 4, Division 3, Article 2 as it exists or may be amended from time to time.

“State” means the State of California.

“Subcontractor” means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

“Temporary Drop-off Box” means a Container rented by a customer for a temporary period or for a specific project such as yard clean up, remodeling or construction.

“Temporary Waste” means County Solid Waste and/or Construction Demolition Debris collected from a Generator for a temporary period or for a specific project such as yard clean-up, remodeling, or construction, and shall not include Discarded Materials collected as part of on-going Discarded Materials collection services.

“Vehicle” means any truck, or other Vehicle used by the Franchisee in connection with the Franchise Services.

“Waste Disposal Agreement” means an agreement between the County and certain haulers and some or all of the cities within the County regarding the delivery of Solid Waste to the County disposal system.

SECTION 1

REPRESENTATIONS AND WARRANTIES

The Franchisee, by acceptance of this Franchise Agreement, represents and warrants that:

- A. Existence and Powers.** The Franchisee is duly organized and validly existing as a corporation under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Franchise Agreement.
- B. Due Authorization and Binding Obligation.** The Franchisee has duly authorized the execution and delivery of this Franchise Agreement. This Franchise Agreement has been duly executed and delivered by the Franchisee and constitutes the legal, valid, and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.
- C. No Conflict.** Neither the execution, nor the performance by the Franchisee of its obligations under this Franchise Agreement (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to the Franchisee; or (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including without limitation the certificate of incorporation of the Franchisee), or instrument to which the Franchisee or any Affiliate is a Party or by which the Franchisee or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument.
- D. No Litigation.** There is no action, suit, or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending, or to the Franchisee's best knowledge, threatened against the Franchisee which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially

and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

E. No Legal Prohibition. The Franchisee has no knowledge of any law, regulation or ruling from any jurisdiction in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise Agreement and the transactions contemplated hereby.

F. Information Supplied by the Franchisee. The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete in all material respects.

SECTION 2

SCOPE OF SERVICES

A. The franchise granted in this Agreement shall be non-exclusive. No provision of this Agreement shall be deemed to require or allow the number of franchises to be restricted to one or to any particular number.

B. Services under the Agreement shall be limited to collection, processing, and disposal of Temporary Waste. All Temporary Waste handled under the Agreement shall be collected in Containers and/or Temporary Drop-off Boxes. Temporary services under the Agreement may be generated from single-family, multi-family, commercial or industrial sites in the County Unincorporated Area.

C. Franchisee may perform Franchise Services in the Franchise Area.

D. Franchisees shall comply with all of the requirements of the Solid Waste Ordinance.

E. Franchisee shall not perform County Discarded Material Management services that encroach on rights granted under any County Exclusive Franchise Agreement.

SECTION 3

APPLICATION FOR FRANCHISE

A. The Franchisee shall pay an application fee of one thousand dollars (\$1,000).

B. County shall use the Application Fee to offset expenses.

C. The Franchisee shall pay the Application Fee to:

COUNTY OF ORANGE/OC Waste & Recycling
Attention: Contract Administrator
601 N. Ross Street, 5th Floor
Santa Ana, California 92701

D. The application fee shall be paid to the County within thirty (30) days of the Franchise Date.

SECTION 4

TERM

- A. The term of the Agreement shall be for one year, from [REDACTED] to [REDACTED].
- B. This Agreement will automatically renew for an additional one year if not terminated by either party at least 90 days prior to the contract end date.
- C. This Agreement can be renewed annually until June 30, 2031.
- D. Nothing in this Agreement shall require the County to extend the term.

SECTION 5

RATES FOR SERVICES

- A. The Franchisee agrees to provide County with a copy of its rate structure for services on an annual basis and upon request.
- B. Rates for services may be established by the Franchisee.
- C. The County shall have the authority but not the obligation to review and set maximum rates. If County exercises this authority, the Board of Supervisors will set the maximum rates.

SECTION 6

RECOVERY OF ADMINISTRATIVE COSTS

- A. All costs incurred by the County associated with administering this Agreement shall be recoverable.
- B. During the term of the Agreement, the Franchisee agrees to pay an Annual Fee. The Annual Fee shall be equal to five-hundred dollars (\$500)
- C. County shall use the Annual Fee to offset expenses including staffing costs related to contract management, compliance, and monitoring, and to enforce the Agreement with respect to any violations by third parties, including imitating and/or assisting in prosecuting enforcement actions.

The Franchisee shall pay the Annual Fee to:
COUNTY OF ORANGE/OC Waste & Recycling
Attention: Contract Administrator
601 N. Ross Street, 5th Floor
Santa Ana, California 92701

- D. The Annual Fee shall be due and payable on the thirtieth (30th) calendar day following the Contract end date. If the Annual Fee is not paid when due, Franchisee shall pay an additional late payment fee in an amount equal to fifty dollars (\$50) per month that the invoice is overdue.

E. If the Annual Fee payment is over 90 days in arrears, the Director may authorize payment of Annual Fee plus a late payment fee to be paid from the money deposited pursuant to Section 7.E.

SECTION 7

OPERATING PROCEDURES

A. The Franchisee agrees to maintain an office location, which fully complies with Section 4-3-87 of the County Code of Ordinances.

B. The Franchisee agrees to maintain an active toll-free telephone or local telephone number.

C. The Franchisee agrees to maintain during office hours, a complaint response service and a messaging system satisfactory to the Director. All service complaints and billing complaints will be directed to the Franchisee. Copies of all complaints shall be given to the Director upon request. The Franchisee shall record all complaints in a log, including date, complaint name and address, and nature and resolution of complaint. This log shall be available for inspection by the Director upon request.

D. The Franchisee shall respond to service complaints within 24 hours. The Franchisee shall use reasonable best efforts to remedy complaints in a timely fashion, but in no case longer than seven (7) calendar days from receipt of any complaint.

E. The Franchisee agrees to provide the County a deposit or other form of security acceptable to the County, in the sum of three thousand dollars (\$3,000.00) to ensure compliance with the duties and obligations imposed by the provisions of this Agreement and the Solid Waste Ordinance. Franchisee shall make the security deposit within thirty (30) days from the Franchise Date.

F. Franchisee shall include as a condition to its contractual agreement with its Customers a provision prohibiting disposal of Hazardous Waste in any of Franchisee's Vehicles, Containers or Temporary Drop-off Boxes, and other equipment.

G. Franchisee shall implement a load check program that includes, at a minimum, a visual check of all Containers to be emptied to protect against inclusion of Hazardous Waste. Franchisee shall prepare a written record of all Hazardous Waste discovered during load checks. The records shall comply with all Applicable Law, shall be maintained for the length of the term of the Franchise, and shall be made available to the County upon request.

H. Franchisee shall Reuse, Recycle or Divert from landfill disposal 65% of all Discarded Materials collected pursuant to this Agreement. Solid Waste Collected shall only be considered to have been recycled or diverted as required under this Agreement if it is deemed to be diversion by CalRecycle in connection with efforts to meet County's AB 939 diversion goals.

Diversion from other sources other than Franchisee's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, collection of materials that are not the subject of this Agreement, or the efforts of self-haulers) shall not be counted as diversion achieved by Franchisee.

Failure to achieve the required 65% diversion may result in termination of the Non-exclusive franchise agreement.

I. The Franchisee shall process all Collected Materials at a Processing Facility prior to landfilling. Franchisee shall deliver 100% of all Discarded Materials collected to an Orange County Processing Facility for processing in order to recover Recyclable Materials. All residual waste shall be delivered to County Disposal System landfills. Franchisee shall report (1) the total tonnage of collected (2) the tonnage sent for processing, and (3) the tonnage of Recyclable Materials recovered as a result of such processing in its annual reports to the County.

J. Except as expressly authorized by the Director or County Contract manager, Franchisee shall not Collect or deliver Containers between 7:00p.m. and 7:00a.m. on weekdays, and between 6:00p.m. and 10:00a.m. on weekends. Failure to comply with the Collection hours the Franchisee shall pay County Liquidated Damages as described in Section 17.

K. Flow Control Covenant. The Franchisee hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise,

(a) the right, power, or authority of the County to engage in the practice of legal Solid Waste "flow control," or (b) the right, power, or authority of the County to deliver or cause the delivery of all Solid Waste collected within the Franchise Area to the County Disposal System in accordance with this Agreement and the "flow control" covenant.

L. Waste Flow Enforcement. (1) The Franchisee shall cooperate with any waste flow enforcement program implemented by the County in order to assure the delivery of all Solid Waste to the Disposal System pursuant to and in accordance with this Agreement for disposal at the times and in the manner provided herein.

M. Legal Challenges to Franchise System. The Franchisee shall use its best efforts to preserve, protect and defend its right to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits against the Franchisee or the County, whether as plaintiff or defendant), by any person, based upon breach of contract, violation of law or any other legal theory. The Franchisee shall bear the cost and expense of any such legal proceeding or other challenge.

SECTION 8

REPORTING REQUIREMENTS

A. Franchisee agrees to provide an annual report no later than each January 31st. This report will include monthly amounts of tonnages of all Recyclable Materials recovered by material type. It will also disclose the Franchisee's Recycling diversion plan for the ensuing

year.

SECTION 9

INSURANCE REQUIREMENTS

Prior to the provision of services under this Franchise Agreement, the Franchisee agrees to purchase all required insurance at Franchisee's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Franchise Agreement have been complied with. Franchisee agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Franchise Agreement. In addition, all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Franchisee.

Franchisee shall ensure that all subcontractors performing work on behalf of Franchisee pursuant to this Franchise Agreement shall be covered under Franchisee's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Franchisee. Franchisee shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Franchisee under this Franchise Agreement. It is the obligation of Franchisee to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Franchisee through the entirety of this Franchise Agreement for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Franchisee's current audited financial report. If Franchisee's SIR is approved, Franchisee, in addition to, and without limitation of, any other indemnity provision(s) in this Franchise Agreement, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Franchisee's, its agents, employee's or subcontractor's performance of this Franchise Agreement, Franchisee shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Franchisee's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Franchisee's SIR provision shall be interpreted as though the Franchisee was an insurer and the County was the insured.

If the Franchisee fails to maintain insurance acceptable to the County for the full term of this Franchise Agreement, the County may terminate this Franchise Agreement.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Franchisee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$10,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN AGREEMENT***.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Franchisee's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, agents and employees*** or provide blanket coverage, which will state ***AS REQUIRED BY***

WRITTEN FRANCHISE AGREEMENT.

All insurance policies required by this Franchise Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Franchisee shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Franchise Agreement, upon which the County may suspend or terminate this Franchise Agreement.

The Commercial General Liability policy shall contain a severability of interests clause also known as a “separation of insureds” clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Franchisee fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Franchisee to increase or decrease insurance of any of the above insurance types throughout the term of this Franchise Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Franchise Agreement may be in breach without further notice to Franchisee, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Franchise Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

SECTION 10**PERSONNEL AND SUBCONTRACTORS**

A. The Franchisee shall at all times maintain and follow employment practices in accordance with Applicable Law and shall indemnify the County for any Legal Proceeding relating to its noncompliance with such laws or regulations.

B. In the performance of the terms of this Agreement, the Franchisee agrees that it will not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition

shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters.

C. The Franchisee shall employ personnel sufficient in number, training, experience, and capability to ensure that the Franchise Services are properly carried out.

D. The Franchisee shall not utilize any Affiliates or Subcontractors for the performance of the Franchise Services except with the consent of the Director.

SECTION 11

INDEMNIFICATION

(A) Generally. The Franchisee shall defend with counsel approved in writing by County, indemnify, and hold harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liabilities arising out of this Franchise or connected with the performance, failure to perform or attempted performance of provisions hereof, including, but not limited to (1) any act or omission to act on the part of the Franchisee or its agents, employees, or Subcontractors, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, (2) the collection, transportation, handling, storage, or disposal (by the Franchisee or its agents, employees, or subcontractors) of Discarded Materials, (3) any claim for any finders or brokerage fee or other commission resulting from any services alleged to have been rendered to or performed on behalf of the Franchisee with respect to this Franchise or any of the transactions contemplated hereby, (4) any action taken by the County pursuant to its rights under Section 11.5 hereof upon a failure to collect, transport or dispose of Discarded Materials, (5) the performance or non-performance of the Franchisee's obligations under this Franchise, except to the extent such liabilities are due to the negligence or willful act of the indemnified parties, and (6) Franchisee's failure to comply with Applicable Law.

(B) CERCLA Indemnification. The Franchisee shall indemnify and defend with counsel approved by the County, and hold harmless the County, its officers, employees, agents, assigns and any successor or successors to the County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's 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 (collectively "Liabilities") paid, incurred or suffered by, or asserted against, the County or its officers, employees, agents or contractors arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure of other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee stores or disposes of municipal Solid Waste pursuant to this Franchise to the extent that such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are caused by any of the following: (1) the negligence or

willful misconduct of the Franchisee; (2) the collection, handling, processing, or disposal by the Franchisee of any materials or waste, including hazardous substances or materials, which are generated by, or collected from, waste Generators other than those Generators to which the Franchisee provides services pursuant to this Franchise; (3) the failure of the Franchisee to undertake hazardous waste and materials training procedures required by law with respect to its employees or Subcontractors; or (4) the improper or negligent handling, processing or disposal by the Franchisee of hazardous waste or materials which (i) the Franchisee inadvertently collects from waste Generators to which the Franchisee provides services pursuant to this Franchise and (ii) which the Franchisee identifies as Hazardous Waste prior to its disposal. The Franchisee shall not, however, be required to reimburse or indemnify the County and its officers, agents, employees, attorneys, administrators, affiliates, representatives, servants, insurers, successors, and heirs to the extent any such claims, damages, costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses are due to the negligence or other wrongful conduct of such Party. The County acknowledges that the mere presence of household hazardous waste in the waste which is collected by the Franchisee pursuant to this Franchise shall not constitute negligence nor in and of itself create any liability on the part of the Franchisee absent any of the circumstances described in clauses (1) through (4) of the preceding sentence.

The indemnification by the Franchisee in Section 12.1(B) shall be limited to Liabilities resulting from services rendered by the Franchisee from and after the Franchise Date and throughout the Term of this Franchise, it being specifically understood that any liabilities attributable to the Franchisee's actions prior to the Franchise Date are excluded from the indemnification in Section 12.1(B).

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e), 42 U.S.C. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify the County from liability in accordance with this section. The provisions of this subsection shall survive termination of this Franchise.

(C) AB 939, AB 341, AB 1826, and SB 1383 Indemnification.

1. To the extent authorized by law, Franchisee agrees to indemnify and hold harmless County from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling goals or any other requirement of AB 939, AB 341, AB 1826, and SB 1383 are not met by County with respect to the Discarded Materials collected under this Franchise.

2. Franchisee warrants and represents that it is familiar with County's waste characterization study as set forth in County's SRRE, and that it has the ability to and shall provide sufficient programs and services to ensure County shall meet or exceed the diversion and reporting requirements (including without limitation amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939; and requirements such as Collection service standards, programmatic activities, and reporting set forth in AB 341, AB 1826, and SB 1383, with respect to that portion of the Solid Waste generated in-County that is the subject of this Franchise Agreement.

3. Franchisee agrees that it shall at its sole cost and expense:
 - (1) Assist County in responding to inquiries from CalRecycle;
 - (2) Assist County in preparing for, and participating in, CalRecycle's biannual review of the County's Annual Report;
 - (3) Assist County in any hearing conducted by CalRecycle related to County's compliance with AB 939, AB 341, AB 1826, and SB 1383;
 - (4) Assist County with the development of, and implement, a public awareness and education program that is consistent with the County's SRRE and Household Hazardous Waste Element, as well as any related requirements of AB 939, AB 341, AB 1826, and SB 1383, for the Franchise Area; and,
 - (5) Provide County with source reduction, waste prevention, Recycling, Organic Waste recovery, and other technical assistance related to AB 939, AB 341, AB 1826, and SB 1383.

(D) Third Parties. These indemnification provisions are for the protection of the County (and County Indemnitees) only and shall not create, of themselves, any liability to third parties, unless otherwise specified therein. The provisions of this subsection shall survive termination of this Franchise.

SECTION 12

VEHICLES AND EQUIPMENT

A. Any and all Containers provided to customers of Franchisee for storage, collection or transportation of Temporary Waste shall meet the requirements of the State of California minimum standards for Solid Waste handling established under Public Resources Code Section 43020 and Applicable Law.

B. All Containers and all Vehicles used by Franchisee in the performance Franchise Services shall be marked with Franchisee's name and telephone number in letters, which are easily read by the general public.

C. Equipment.

- (1) Vehicle Specifications, Maintenance and Appearance. All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be properly insured, shall be of a type approved by the Director, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition, pursuant to industry standards. Vehicles used to collect, or transport Temporary Waste shall be kept covered at all times except when such material is actually being loaded or unloaded. All Vehicles shall carry a broom, shovel, and operable fire extinguisher. Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required to maintain a like-new appearance. All Vehicles must be made available for inspection upon reasonable notice by the Director. In addition, the

- Franchisee shall meet all requirements of the Biannual Inspection Terminal (BIT) Program and shall provide the results of the BIT Program to the Director within ten (10) days of receipt of the request.
- (2) Each Vehicle shall be so constructed and used that no rubbish, garbage, debris, oil, grease or other material will blow, fall, or leak out of the Vehicle. All Solid Waste shall be transported by means of Vehicles, which are covered in such a manner as to securely contain all Solid Waste and to prevent such Solid Waste from projecting, blowing, falling or leaking out of the Vehicles. Any Solid Waste dropped or spilled in collection, transfer or transportation shall be immediately cleaned up by Franchisee. The broom and a shovel carried at all times on each Vehicle shall be used for this purpose. In addition, each collection Vehicle shall be equipped with trash bags, masking tape and notice of non-collection tags for the purpose of separating Hazardous Waste for return to the Generator. A communications device such as a two-way radio or a cellular telephone shall also be maintained on each Vehicle.
 - (3) Franchisee shall not store any Vehicle or equipment on any public street or other public property in the County without all the required permits by any entity regulating placement of such equipment.
 - (4) Should the Director at any time give written notification to Franchisee that any Vehicle does not comply with the standards hereunder, the Vehicle shall be promptly removed from service by Franchisee and not again be so used until inspected and passed by the California Department of Motor Vehicles, or any entity regulating the condition of such Vehicles.

SECTION 13

ABANDONED CONTAINERS

- A. Franchisee shall comply with the regulations adopted by the County or the Director for placement of Containers on public property.
- B. If Franchisee abandons any Container within the County Unincorporated Areas, the County may remove the Container and/or dispose of the contents of the Container.
- C. If the County is required to remove a Container abandoned by Franchisee and/or to dispose of its contents, County may charge Franchisee for County's costs incurred in such removal/disposal and for County's costs of storage of the Container. The \$3,000 or security acceptable to the County, specified in Section 7. E. may be used to reimburse the County for such costs if not paid within ten (10) days of the date of County's invoice for such costs.
- D. For the purposes of this Section, "abandoned" includes:
 - (1) Franchisee's failure to remove the Container within the time period pursuant to the termination clause of this Agreement.

- (2) Franchisee's failure to remove the Container within ten (10) working days after the expiration of the Agreement, except in the case where Franchisee has been granted an extension of the term of said Agreement or Franchisee has been granted a subsequent Agreement authorizing Franchisee to perform Franchise Services or if otherwise lawfully operating.
- (3) Franchisee's failure to collect the Container and dispose of the contents of the Container within five (5) days after the Director issues written notice to Franchisee to dispose of the contents.

SECTION 14

COMPLIANCE WITH LAW

A. Franchisee shall perform all Solid Waste handling services in accordance with Applicable Law, and in accordance with the terms and conditions of this Agreement.

B. Over the term of this Agreement, Franchisee and County agree that the County's ordinances may be amended from time to time, which may affect or alter County's Solid Waste handling obligations or requirements for Solid Waste management. Franchisee agrees to comply with any such amendment of the County's ordinances.

SECTION 15

PERMITS AND LICENSES

A. Franchisee shall obtain and maintain, at Franchisee's sole cost and expense, all permits and licenses applicable to Franchisee's operations under this Agreement, which are required of Franchisee under Applicable Law.

SECTION 16

TERMINATION

A. The Board of Supervisors may terminate this Agreement granted to Franchisee if Franchisee violates any of the terms and conditions of this Agreement.

B. In the event this Agreement is terminated pursuant to Subsection A above or the term of this Agreement expires:

- (1) Franchisee shall have no right or authority to engage in Temporary Waste service and/or Construction and Demolition Debris handling in County Unincorporated Areas.
- (2) Franchisee shall, however, remain liable to the County for any and all fees that would otherwise be payable by Franchisee for any and all fees and interest assessed pursuant to this Agreement.
- (3) Franchisee shall allow the Generators served by Franchisee to arrange for Temporary Waste handling services with a solid waste enterprise authorized to perform such

services, without penalty or liability for breach of contract on the part of the Generators, for such period of time as Franchisee is not authorized to perform such services because of termination.

- (4) Franchisee agrees to continue to provide the indemnifications required in this Agreement after its termination in connection with activities performed by the Franchisee. Such indemnifications include, but are not limited to, the Hazardous Materials indemnification and AB939 indemnification.

C. In the event this Agreement is terminated, Franchisee shall remove all of Franchisee's Containers, and all of such Containers used by Franchisee's Subcontractors in performance of Franchise Services, from all Franchisee's collection locations and shall properly dispose of all Temporary Waste in such Containers within the time period specified by the Director.

D. In the event the Agreement is terminated or expires without an extension of the term, then within ten (10) days of such termination or expiration Franchisee shall either:

- (1) Submit to the Director a list of the names and addresses of Generators in the County Unincorporated Area for which Franchisee provided services as of the date of termination or expiration (i.e. Franchisee's customer list); or
- (2) Send written notification to each Generator on Franchisee's customer list that Franchisee is no longer authorized to perform Franchise Services. Such notification shall be in the form provided by the Director and shall be personally delivered or shall be sent by first class mail, postage prepaid, to the customers' billing addresses. Franchisee shall submit to the Director a declaration, signed under penalty of perjury, stating that the required notification has been provided by Franchisee to all of Franchisee's customers in County Unincorporated Areas.

SECTION 17

LIQUIDATED DAMAGES

A. In addition to other remedies elsewhere in the Agreement, the Director may levy a charge in the amounts listed below for the Franchisee's failure to meet the requirements enumerated throughout the Agreement. The Director's decision to levy any such charge shall not be deemed an election of remedies but shall be cumulative with any other remedies provided for in this Agreement. The Director's decision to levy any such charge shall not be deemed a waiver of any breach by the Franchisee under this Agreement. The parties agree that the following liquidated damages represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date of the Agreement, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was entered into.

- (1) Excessive Complaints: When Franchisee or County receives 25 or more verified complaints in six (6) months, Franchisee will be assessed [\$250.00] per complaint

per occurrence; and an additional [\$250.00] each 24 hours until the complaint is addressed. For purposes of this section “complaints” shall mean Customer notifications to the Franchisee or the County of missed pick-ups, property damage, missed commitments, employee misconduct or poor quality of service (e.g. litter on property or public right-of-way or misplacement of Containers).

- (2) Failure to remit the County fees or file the required reports in an accurate and complete manner by the fifth working day following the due date: [\$250.00] per occurrence.
- (3) Franchise operating during hours not authorized by the County: [\$250.00] per occurrence.
- (4) Failure to maintain records required by the Franchise: [\$1,000.00] per occurrence.
- (5) Failure to have Vehicles inspected by the California Highway Patrol to meet the Biannual Inspection Terminal (BIT) Program, or failure to provide results of such inspection to the Director within ten (10) days of receipt of request: [\$100.00] per occurrence.
- (6) In addition to the termination remedies available to the County under Section 16 hereof, Franchisee shall be liable for liquidated damages for each day it operates in violation of the provisions of Section 16, regarding insurance coverage: [\$100.00] per day.
- (7) Increases in liquidated damages when Franchisee has violated requirements for a particular service indicator more than fifteen (15) times: [25%] of the original amount of liquidated damages.

B. The Director shall give the Franchisee written notice of charges levied pursuant to this section. Any such damage shall be paid directly to the County and may not be offset against any other fees.

SECTION 18

ASSIGNMENT

A. Franchisee shall not assign, sell, subcontract, transfer or otherwise delegate its authority to perform any portion of the Franchise Services or obligations under this Agreement without prior express written consent of the Board of Supervisors. This prohibition includes any transfer of ownership or control of Franchisee, or the conveyance of a majority of Franchisee’s stock to a new controlling interest.

SECTION 19

MISCELLANEOUS PROVISIONS

A. The Parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

B. Franchisee acknowledges that the County Board of Supervisors has adopted Resolution No. 16-118 establishing a construction and demolition policy and is aware of the provisions of this policy.

C. If Franchisee has entered into a Waste Disposal Agreement with the County, nothing in this Agreement shall be construed to supersede or otherwise modify the terms of that Waste Disposal Agreement.

D. Neither Party to this Agreement shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and Franchise holder and nothing in this Franchise shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Franchisee, its employees nor anyone working under Franchisee, shall qualify for workers' compensation or other fringe benefits of any kind through the County.

E. Nothing in this Agreement shall be interpreted as limiting the rights and obligations of the County in its governmental, police or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Agreement, arising out of any act or omission of the County in its governmental or regulatory capacity.

F. This Franchise shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

G. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

H. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

I. To the extent enforceable under California law, each Party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Agreement and/or any other claim of injury or damage.

J. The table of contents of any headings preceding the text of the Articles, Sections, and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

K. This Agreement contains the entire agreement between the Parties hereto with respect

to the transactions contemplated by this Agreement, provided that nothing in this Franchise is intended to supersede the obligations of the Parties under any Waste Disposal Agreement, as defined hereunder. In the event that a provision of this Franchise is interpreted as being in conflict with a Waste Disposal Agreement, the Parties hereto agree that the provisions of the Waste Disposal Agreement will prevail. Furthermore, nothing in this Agreement is intended to confer on any person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

L. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided.

M. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

N. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, without reference to conflict of law's provisions. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another venue.

O. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Agreement by any other Party hereto or by any person representing them, or both. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Agreement.

P. If any clause, provision, subsection, Section, or Article of this Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:

- (1) Promptly meet and negotiate a substitute for such clause, provision, Section, or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
- (2) If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement;
- (3) Negotiate such changes in, substitutions for or additions to, the remaining

provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above, to affect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, Section, or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist.

IN WITNESS WHEREOF, the Parties have executed this Non-Exclusive Franchise Agreement on the dates stated below:

FRANSHISEE*

Date: _____

By:

Title:

Date: _____

By:

Title:

COUNTY OF ORANGE

Date: _____

By:

Title: Tom Koutroulis, Director OCWR

APPROVED AS TO FORM:

COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

Date: 5-11-2021

By:

Title: Paul M. Albarian, Senior Deputy

*Unless otherwise demonstrated that the person(s) executing this Franchise Agreement on behalf of Franchisee has the requisite authority to legally obligate and bind Franchisee. If the Franchise is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President. The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.



RECEIVED

2021 MAY 17 PM 1:38

384C

CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

MEMORANDUM

To: Robin Stieler, Clerk of the Board

From: Supervisor Donald P. Wagner, Third District

Date: May 17, 2021

RE: Supplemental Item for May 25, 2021 Board of Supervisors Meeting

I would like to include in the agenda for the May 25, 2021 Board of Supervisors meeting an item to add Community Surveys to the County Events Calendar with the following recommended actions:

1. Approve the addition of Community Surveys to the County Events Calendar.
2. Find under Government Code section 26227 that Community Surveys will serve a public purpose of the County of Orange and will meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education and legal services, and the needs of physically, mentally and financially handicapped persons and aged persons; that County staff and resources may be used in furtherance of such events; and that County staff may solicit donations of funds and services for such events.



RECEIVED

2021 MAY 17 PM 1:38

CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Donald P. Wagner

Date: May 17, 2021

RE: Appointment of William Baker Jr. to the Assessment Appeals Board No. 1

S841D

I would like to appoint William Baker Jr. to the Assessment Appeals Board No. 1 for the term of September 2, 2019 to September 4, 2022. William Baker Jr. will be filling the Third District seat last served by Kevin Rice. Please add this item to the Tuesday, May 25, 2021 Board of Supervisors meeting.



APPLICATION FOR COUNTY OF ORANGE
BOARD, COMMISSION OR COMMITTEE

(FOR COUNTY USE ONLY)

Return to:

Clerk of the Board of Supervisors
333 West Santa Ana Blvd., Suite 465
Santa Ana, California 92701
Website: www.ocgov.com/gov/cob/

Instructions: Please complete each section below. Be sure to enter the title of the Board, Commission or Committee for which you desire consideration. For information or assistance, please contact the Clerk of the Board of Supervisor's Office at (714) 834-2206. Please print in ink or type.

**NAME OF BOARD, COMMISSION, OR COMMITTEE TO WHICH YOU ARE APPLYING FOR MEMBERSHIP
(SEE LIST AT [HTTP://WWW.OCGOV.COM/GOV/COB/BCC/CONTACT](http://WWW.OCGOV.COM/GOV/COB/BCC/CONTACT)):**

OC Assessment Appeals Board/Hearing Officer

SUPERVISORIAL DISTRICT IN WHICH YOU RESIDE: First Second Third Fourth Fifth

APPLICANT NAME AND RESIDENCE ADDRESS:

William Earl Baker, Jr.
First Name Middle Name Last Name

Villa Park Ca.
Street Address City State Zip Code

Home Phone Number Cell Phone Number

Email Address

CURRENT EMPLOYER: _____

OCCUPATION/JOB TITLE: _____

BUSINESS ADDRESS: _____

BUSINESS PHONE NUMBER: _____

EMPLOYMENT HISTORY: Please attach a resume to this application and provide any information that would be helpful in evaluating your application.

ARE YOU A CITIZEN OF THE UNITED STATES: YES NO

IF NO, NAME OF COUNTRY OF CITIZENSHIP: _____

ARE YOU A REGISTERED VOTER? YES NO

IF YES, NAME COUNTY YOU ARE REGISTERED IN: Orange

LIST ALL CURRENT PROFESSIONAL OR COMMUNITY ORGANIZATIONS AND SOCIETIES OF WHICH YOU ARE A MEMBER.

<u>ORGANIZATION/SOCIETY</u>	<u>FROM (MO./YR.)</u>	<u>TO (MO./YR.)</u>
<u>Orange County Bar Association</u>	<u>1974</u>	<u>present</u>
<u>California Bar Association</u>	<u>1974</u>	<u>present</u>
<u>Orange County Council-Boy Scouts of America</u>	<u>1975</u>	<u>present</u>

WITHIN THE LAST FIVE YEARS, HAVE YOU BEEN AFFILIATED WITH ANY BUSINESS OR NONPROFIT AGENCY(IES)? YES NO

DO YOU OWN REAL OR PERSONAL PROPERTY OR HAVE FINANCIAL HOLDING WHICH MIGHT PRESENT A POTENTIAL CONFLICT OF INTEREST? YES NO

HAVE YOU BEEN CONVICTED OF A FELONY OR MISDEMEANOR CRIME SINCE YOUR 18TH BIRTHDAY? YOU ARE NOT REQUIRED TO DISCLOSE ANY OF THE FOLLOWING: ARRESTS OR DETENTIONS THAT DID NOT RESULT IN A CONVICTION; CONVICTIONS THAT HAVE BEEN JUDICIALLY DISMISSED, EXPUNGED OR ORDERED SEALED; INFORMATION CONCERNING REFERRAL TO AND PARTICIPATION IN ANY PRETRIAL OR POSTTRIAL DIVERSION PROGRAM; AND CERTAIN DRUG RELATED CONVICTIONS THAT ARE OLDER THAN TWO YEARS, AS LISTED IN CALIFORNIA LABOR CODE § 432.8 (INCLUDING VIOLATIONS OF CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 11357(B) AND (C), 11360(C) 11364, 11365 AND 11550 – AS THEY RELATE TO MARIJUANA)?

YES NO

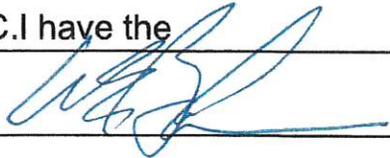
IF YES, PLEASE EXPLAIN AND ATTACH ADDITIONAL SHEETS, IF NECESSARY.

PLEASE BRIEFLY EXPLAIN WHY YOU WISH TO SERVE ON THIS BOARD, COMMITTEE, OR COMMISSION. ATTACH ADDITIONAL SHEETS, IF NECESSARY.

I have served as an Administrative Law Judge and as a

Temporary Judicial Officer (Pro Tem) in the OCSC. I have the

DATE: May 11, 2021

APPLICANTS SIGNATURE: 

CLERK OF THE BOARD OF SUPERVISORS USE ONLY – DO NOT WRITE BELOW THIS LINE

Date Received: _____	Received by: _____
Date referred: _____	Deputy Clerk of the Board of Supervisors
To: <input type="checkbox"/> BOS District 1	<input type="checkbox"/> BOS District 2
<input type="checkbox"/> All BOS	<input type="checkbox"/> BCC Contact Person Name _____
<input type="checkbox"/> BOS District 3	<input type="checkbox"/> BOS District 4
<input type="checkbox"/> BOS District 5	

Business Affiliations: Baker & Baker, A Professional Corporation, since 1992

Continued Brief Explanation:

skills to conduct hearings, understand the legal requirements and the experience to be prompt and effective. I have over 47 years of experience in Real Property law issues and conflict resolution.

WILLIAM E. BAKER, JR.

PROFESSIONAL ACTIVITIES

LEGAL EDUCATION AND BACKGROUND

**Long Beach City College - AA, 1969 (ASB Vice President and President)
University of Southern California, B.S., 1971;
University of the Pacific, McGeorge School of Law - Juris Doctor, 1974;**

**Admitted to State Bar of California 1974;
U.S. Supreme Court;
U.S. Court of Appeal - Ninth Circuit;
Central District of California;**

**California Bar Association 1974-present; Real Property and Business Litigation Sections;
Orange County Bar Association; Section Chairman, Creditors Rights (1994-1995);
Orange County Bar Association Delegate to State Bar Convention, Resolutions Committee
member(1997-2007). Presiding Judge, Whittier Law School Trial Advocacy Mock Trials
(1999),
Orange County Superior Court Temporary Judicial Officer. (2000 to 2005);**

Super Lawyer designation, 2005 - present;

**California Association of Realtors Legal Panel 1984 to present;
Guest Columnist "Real Estate Law" in East Orange County News .
AV rating by Martindale Hubble**

**William P Gray Legion Lex American Inn of Court: Master Bencher, 1995-present
Bill has been an active participant and presenter at the monthly meeting of the Inn
attended by Judges and lawyers to promote professionalism and civility in the
practice of law**

COMMUNITY ACTIVITIES

Director, Chapman College Athletic Foundation 1978-1981

**Before becoming a University, Bill assisted Chapman College in developing its
athletic programs and its hiring of professionals (ie, Walt Hazard as its basketball
coach), development of a Campus football program, and assisted in campaigns for
funds to develop athletic facilities on and near campus.**

Civic Activities in Villa Park

Celebration USA - actor and singer 1980

Second City Performance - actor & performer 1982
City Dancer with Rams Cheerleaders at Rams Halftime 1984
Villa Park Women's League (2d Male member)
Member - Organizing Committee for first Villa Park Dry Land Boat Parade
1983 to 1986 +/-

Founding Director, Villa Park Community Access Television Corporation 1983 to 1997

When Cable Television was first introduced to Southern California, Bill Baker helped start and operate the Villa Park television station, and developed and hosted Meet the Mayor where he interviewed the Mayor on topics of interest to the residents. He also helped develop independent programming by residents on topics of interest.

Founding Director, Mercy House Transitional Living Centers 1988 to present

Mercy House was formed by Fr. Jerome Karcher to assist the Homeless in Orange County. Bill Baker was an original Board Member and has loyally supported the organization so that today it is the pre-eminent provider of services and programs for the Homeless in Orange, Riverside, Los Angeles and San Bernardino Counties, with residences and shelters providing short term (overnight) and long term housing (months). Bill, and his family, volunteer at the winter Armory Housing facility welcoming the homeless men and women into a warm and dry shelter during the bitter cold and wet winters. Bill also frequently provides his legal experience to the Board and Staff when needed on a pro bono basis.

Founder, initial Chairman & Board member, Friends of Villa Park Library, Inc. 1995 - present

When the County bankruptcy threatened closure of the Villa Park Branch of the County Library, Bill incorporated the Friends of the Villa Park Library to raise funds and contract with the County to pay for the retention of the Branch. After successful fund-raising under Bills Chairmanship, the Branch was saved and the contract Bill drafted and negotiated with the County allowed extended hours and staffing, all financed by the FOVPL. Since the termination of the Bankruptcy, the FOVPL has paid for the expansion of the Library Facility, its renovation with all new shelving and furniture, and the donation of tens of thousands of dollars each year in books and related library material purchases. Bill is currently its Chairman.

Charter & Founding Member Villa Park Rotary Club (1996 to present),

Rotarian of the Year@ 2004 - 2005

Officer & Board Member 1998-9, 2004-5

Charter Organization Representative for Pack, & Troop 850, Crew 222

International Fellowship of Scouting Rotarians -Membership Chair 2012 -

present

Paul Harris Fellow (level 6)

Cliff Dochterman Award (Scouting & Rotarian Award) March, 2007

When Rotary District Governor, Dr. Mike Abdalla, expressed a desire to establish a Rotary Club in Villa Park, Bill was one of the first to answer "Yes". In conjunction with Dr. Mike, Bill and a cadre of like minded men and women started the club. Now, over the past 22 years, it has developed it into a vibrant and strong club of over 50 men and women active in civic affairs In Villa Park, the County and Internationally. Bill encouraged the Club to become the Charter partner of Pack and Troop 850, and Rotarians have worked shoulder to shoulder with the Scouts on Eagle Projects and Scout activities.

Founding Board Member, Villa Park Elementary School Restoration Corporation, 1998-2009

The historic original school structure at Villa Park Elementary School was threatened with Demolition and further deterioration due to the lack of funds in the School Districe. Mandatory earthquake remediaton was required. Bill incorporated the VPESRC, ,drafted and negotiated a Lease/Lease back with the OUSD to allow access and development of site and building plans, and assisted in raising over \$75,000 used needed to pay the professionals for the Plans.

Crystal Cove Alliance (now Crystal Cove Conservancy)

Executive Board Member (2003- to 2017),

Vice-Chair (2009 - 2012),

Chairman (2012 -2015)

When the State Parks removed all of the tenants from Crystal Cove Historic District, it had several options for the land: restore the historic cottages for use, lease the land to a resort, or remove everything back to nature. Laura Davick, who grew up in the Cove, banded together several of her like minded citizens and incorporated the Alliance to Save Crystal Cove seeking to have it restored. Bill came into the Board, changed the name to Crystal Cove Alliance, and participated as a Board member, Secretary, Vice Chairman and Chairman. While on the Board, in various capacities, Bill participated in the fund-raising activities which generated the money needed to give over \$8,000,000.00 CCA raised to the under-funded State Parks to allow the first cottages to be renovated, the development of the Beachcomber Café and the CCA's operation of the Cottage rentals for the State Park system. Under Bill's leadership as Chairman, the CCA negotiated a thirty year extension of its Concession agreement and expansion of its educational activities in conjunction with UCI and the OCC BSA. Scout programs and Eagle projects are welcome activities at Crystal Cove.

California Hethushka, 2009 - present.

The Hethushka is a warrior's dance society of the Ponca Tribe. The dance of the Hethushka is a formal, structured organization and dance commencing on a Friday night and ending Sunday evening. The Hethushka Dance has maintained its structure and organization over the years. Members of these societies still work to help the elders, veterans, orphans, and widows. The elegant clothes of these dancers is just one sign of their dedications and commitment to a way of life. The Ponca have Agiven the drum@ to The California Hethushka. Bill has been dancing in Pow Wows since 1965 while a member f the Tribe of Tahquitz Honor Scout Organization. He was asked to become a member of the California Hethushka in 2009 after dancing and participating for several years.. After joining , Bill discovered that the Organization was in need of legal work including incorporation as a non-profit, and qualification as a Non-profit under State and Federal regulations. Bill maintains his involvement in this organization and has encouraged local Order of the Arrow members to participate.

BOY SCOUTS OF AMERICA

Bill has been a registered Member of the Boy Scouts since joining as a Cub Scout in 1957, in Long Beach, and since 1974 in Orange County. He is an Eagle Scout (January, 1965) , a Lifetime Member of NESAs (National Eagle Scout Association) and remains an active Adult Scouter, currently Charter Representative for a Troop 850, Pack 850, and ANew Unit Commissioner for a new Pack 863 (5 years), as well as an Executive Board member of the Orange County Council, Boy Scouts of America.

1964 National Jamboree Participant - Valley Forge, Pennsylvania

1967 World Jamboree - Host Corp, Assistant Senior Patrol Leader, Farragut State Park, Coeur d'Alene, Idaho

Eagle Scout - 1965

National Eagle Scout Association (NESAs) - Life Member

National Outstanding Eagle Scout Award - 2018

The National Eagle Scout Association - Outstanding Eagle Scout Award (NOESA) was established during the BSAs 100th Anniversary in 2010 and was created to recognize notable Eagle Scouts who had performed distinguished service at the local, state, or regional level.

Tribe of Tahquitz, Long Beach Area Council Honor Scout Organization, 1965 - present,

Officer 1966-1967,

Chairman of Chiefs Council, 1967;

Crew 228 Member - Long Beach Area Council

As a youth Member, Bill Baker was a volunteer Staff member at Camp Tahquitz for 8 weeks per summer for three years, interrupted in 1967 when he attended the World Jamboree as a Unit Ranger for Japanese and Australian Troops. As an adult,

Bill has supported the continued development of Camp Tahquitz and promotion of its Indian lore program. Bills son, Will , also became a member of the Tribe and was on Camp staff for two years. Bill is still registered in the Long Beach Area Council (consistently since 1957) as an adult member of Crew 228.

Order of the Arrow, 2009 - present,

Brotherhood Member 2010,

Vigil Member June, 2013;

Koshare Chapter Indian Affairs Advisor, 2013 - 2015

While the Advisor for Indian Affairs, Bill introduced members to authentic regalia and dancing as part of Koshares' Camp Promotion program. During his tenure, Koshare won Wiatava recognition in Indian Affairs and Camp Promotion.

BSA Western Region Board of Directors, 2012 - 2016

Voting Delegate to the National Meeting of the Boy Scouts of America - 2009 - 2013

Orange County Council Boy Scouts of America;

Bill's Involvement and commitment to Scouting is evident and obvious to all who know him. He has been continuously registered as a Scout in his hometown of Long Beach since 1957. After moving to Orange County in 1974, Bill Baker immediately visited the Scout headquarters and registered as an Adult. He soon became active in his local District (Santiago) years before he had children. He was advancement chair, District vice-chair and District Chairman several times. When Bill's son, William, became of Cub Scout age, Bill formed a Pack, became Cubmaster, and soon had over 50 Cubs. Many of the Cubs became Scouts. Bill was Assistant Scoutmaster of two different Troops Will joined, the second to help re-establish the Troop as a youth leader. Bill has earned or received so many training, leadership and award knots that they do not fit on his uniform

Board of Directors 1997- 2020,(resigned to become Legal Counsel to OCC BSA)

Executive Committee 2000-2003, 2009 - 2020;

Council Commissioner, 2009 - 2010 - 2011 - 2012

Vice-Chair Outdoor Activities 2013 - 2020

Scout-O-Rama Chairman 1997, 1998

Activities Chair 1998-2000,

Program Chair 2000-2003, Vice-Chair -Programs

Council Award of Merit, 1992

Silver Beaver Recipient 2000

The **Silver Beaver Award** was introduced in 1931 and is a council-level distinguished service award of the Boy Scouts of America. Recipients of this award are registered Scouters who have made an impact on the lives of youth through service given to the council.

Silver Beaver Alumni Association - Life member

**OCC BSA Man of Character 2011
James E West Fellowship (2)
Heritage Society**

Wood Badge WE4-39-1-10 May, 2011

Canyons District

Committee Member 2010 - 2014

Chairman, 2013-2014

District Award of Merit Recipient 1994

**New Unit Commissioner 2013 - present for St. Norberts Pack and Troop
863**

Santiago District

Committee Member 1976 - 1979

Chairman, 1977 -1978

Cub Master 1990 - 1994;

Assistant Scoutmaster 1994 - 2001

Philmont Trek, 1997

FAITH BASED ACTIVITIES (Roman Catholic Church)

Parish Activities (St. Norberts Parish):

Octoberfest. Paige & Bill were volunteers each year for the Octoberfest, joining other couples in various booth activities or cooking to serving food and drinks to the participants over a 3 day period.

Renew: Paige & Bill were a host couple for the Renew Parish program and hosted other Parishioners in renewing their faith and commitment as members of the St. Norbert Catholic Community.

Parish Baptism Program: created by Paige & Bill in 1984 with their Parish Priest, this program was conducted for several years. This Program prepared parents for the Baptism of their children and focused on the family religious participation in their child's life.

Worldwide Marriage Encounter Team Couple 1980 - 1988

Bill and Paige presented Marriage Encounter weekends for over eight years to hundreds of couples seeking to enrich their marriage, and presented at the National Meetings.

Equestrian Order of the Holy Sepulcher, 2000- present,

This Roman Catholic Heraldic organization has as its sole purpose the support of the

Christian Church in the Holy Land. Bill is an active participant and leader during the annual meetings.

Legatus 2008 - 2021

Vice-President (2014);

President (2015)

Board member - 2014 - 2016

Legatus is the world's premier membership organization for Catholic business leaders committed to learn, live and spread the Catholic Faith. Bill is an active member and past President.


5/11/21



County Executive Office

Memorandum

584E

May 19, 2021

To: Clerk of the Board of Supervisors
From: Frank Kim, County Executive Officer
Subject: Exception to Rule 21

Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County
of Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2021.05.19 13:45:20
-07'00'

2021 MAY 19 PM 2:30
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

RECEIVED

The County Executive Office is requesting a Supplemental Agenda Staff Report for the May 25, 2021, Board Hearing.

Agency: Social Services Agency
Subject: Approve Agreement to Purchase Replacement Mobile Response Vehicle
Districts: All Districts

Reason for supplemental: The County Executive Office is requesting this item be placed on the May 25, 2021, Board agenda as a Supplemental Item in order to allow adequate time for the processing of the purchase, buildout and delivery of a new Mobile Response Vehicle that is replacing the current vehicle that must be retired due to changes in emissions standards. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:

Andrew Do, Chairman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



**SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT**

Agenda Item 384E
Clerk's Use Only

RECEIVED
2021 MAY 19 PM 2:33
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

MEETING DATE: 05/25/21
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: Social Services Agency
DEPARTMENT HEAD REVIEW: 
Department Head Signature
DEPARTMENT CONTACT PERSON(S): Laura Turtzer (714) 541-7734
Dorthe Lee (714) 245-6189

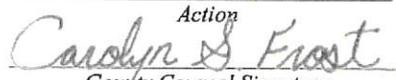
SUBJECT: Approve Contract to Purchase Replacement Mobile Response Vehicle

CEO CONCUR

CEO Signature

Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County of
Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2021.05.19 13:44:54 -0700'

COUNTY COUNSEL REVIEW
Approved as to Form

Action

County Counsel Signature

CLERK OF THE BOARD
Discussion
4/5 Vote

Budgeted: Yes

Current Year Cost: \$750,000

Annual Cost: N/A

Staffing Impact: No

of Positions:

Sole Source: No

Current Fiscal Year Revenue: N/A

Funding Source: See Financial Impact Section

County Audit in last 3 years: No

Prior Board Action: 7/18/2006 #29

RECOMMENDED ACTION(S)

1. Authorize County Procurement Officer or authorized Deputy to designate OC Public Works to execute Subordinate Contract with LDV, Inc. for the purchase of a Mobile Response Vehicle for the Social Services Agency, with a not-to-exceed expenditure of \$750,000.
2. Authorize County Procurement Officer or authorized Deputy to accept the fair market value trade-in, as determined by the authorized Deputy, of the current Social Services Agency Mobile Response Vehicle no longer required for public use, after receipt of a release of liability form executed by LDV, Inc.
3. Direct the Auditor-Controller to revise appropriations, revenues and transfers in and out from Budget Control 063, Social Services Agency and Budget Control 296, OC Fleet Services, in accordance with Government Code Section 29125, 29130 and 25252 as follows (requires four-fifths vote):

Fund	Dept.	Budg. Ctrl.	Unit	Object/ Rev. Src./ BSA	DObj./ DRSRC	Revenue Inc/(Dec))	Appropriations Inc/(Dec)	Reserves Inc/Dec
100	063	063	4001	2400			(\$750,000)	
100	063	063	4120	4802	T296		\$750,000	
296	080	296	3710	4000	0000		\$750,000	
296	080	296	3710	7810	T063	\$750,000		

SUMMARY:

Authorization for the Social Services Agency to purchase a replacement Mobile Response Vehicle will enable the Social Services Agency to continue, enhance and expand its ability to provide targeted community outreach, disaster preparedness and emergency response services.

BACKGROUND INFORMATION:

The Social Services Agency (SSA) and OC Public Works are requesting the Board of Supervisors' (Board) approval to execute Subordinate Contract MA-080-21011559 with LDV, Inc. (Contractor) for the purchase of a replacement Mobile Response Vehicle (MRV) for SSA in an amount not to exceed \$750,000.

On July 18, 2006, the Board approved Purchase Order PC 063 P0600006401 with Jane Gritz DBA Emergency Management Equipment for the purchase of a MRV for SSA in an amount not to exceed \$499,516.86. The existing MRV has been fully depreciated with a \$0 net book value.

Pursuant to Contract Policy Manual section 4.7-102 and 4.7-105, SSA is utilizing a governmental cooperative agreement that was based on a formal competitively bid solicitation specifically designed to assist governmental agencies with their vehicle purchasing needs. The proposed contract is issued in accordance with the Houston-Galveston Area Council of Governments Cooperative Program. The use of the governmental cooperative agreement ensures that SSA can leverage the best pricing through a competitive solicitation specific to vehicle purchasing needs. It is anticipated that it would take 18 months to procure, manufacture, outfit and deliver the replacement MRV. The streamlined procurement process will ensure that the replacement MRV can be operational by January 2023.

On April 6, 2021, OC Public Works/Fleet Services informed SSA that the existing MRV (Asset # 54533) must be replaced or retired by January 1, 2023, due to non-compliance with the South Coast Air Quality Management District (AQMD) Rule 1196 that requires public fleet operators to acquire alternative-fuel heavy-duty vehicles. This rule requires public fleets in the South Coast AQMD's jurisdiction operating heavy-duty vehicle fleets to acquire alternative-fuel, dual-fuel or dedicated gasoline heavy-duty vehicles when procuring or leasing these vehicles for use within the South Coast AQMD's jurisdiction.

The replacement MRV will meet current regulatory and emission requirements and allow SSA staff to continue performing outreach functions in support of the community and Countywide initiatives.

The MRV has provided SSA with the ability to quickly respond and mobilize services to support families and individuals who are in need of critical health coverage, access to food, assistance for basic living needs and/or employment and other ancillary services, in the neighborhoods in which they live. To assist in meeting the needs of vulnerable populations such as our seniors and individuals who may lack transportation and access to services, the MRV has been deployed to areas and/or within these underserved communities to provide information about and access to various assistance programs including CalFresh, Medi-Cal, CalWORKs and General Relief (GR).

The MRV has also been deployed to remote locations for Countywide homeless outreach efforts and provides a community presence at designated staging locations in response to an emergency. In February 2018, the MRV and SSA staff, in coordination with other County departments, were deployed to the Santa Ana Riverbed to connect individuals with critical services and safety net programs. During the 10-day period, the SSA MRV team connected with over 700 clients and processed nearly 280 applications for Medi-Cal, CalFresh and GR. In October and November of 2020, the MRV was deployed to support the Temporary Evacuation Points during the Silverado and Bond fires to help provide support and services and facilitate the sheltering of displaced residents.

From January 2018 to December 2019, the MRV was deployed on 118 occasions to various locations throughout the County including the Courtyard Civic Center outdoor shelter, the Santa Ana Riverbed, armories and shelters, local universities, senior communities and at Board and community-based events.

Outcomes

The following outcomes were reported from January 2018 to December 2019*:

Total individuals served/inquiries received	8,041
Applications processed	3,370
Electronic Benefits Transfer Cards Issued	1,651
Medi-Cal Benefits Identification Cards Issued	739
Benefits Renewals/Redeterminations Completed	428

*SSA suspended direct, in-person outreach activities in FY 2020-21 due to COVID-19; the time frame illustrated for the outcomes above are more representative of MRV utilization and/or effectiveness.

The MRV's presence in the community allows SSA to connect with County residents more easily where they live, overcoming barriers that make it difficult for clients to visit an SSA office. It also provides opportunities for the County to partner with other entities including community-based organizations and post-secondary educational institutions, including, Second Harvest Food Bank of Orange County, CalOptima, University of California, Irvine, California State University, Fullerton, Assistance League; faith partners such as Surf City Church and Family Assistance Ministries; and local cities such as City of Santa Ana, City of Laguna Woods and others.

SSA's MRV direct outreach services assist children, adults, families, seniors, the disabled and homeless in accessing and meeting basic service needs in support of SSA's mission of being accessible and responsive to the community's growing needs, helping encourage personal responsibility, strengthening individuals, preserving families and protecting vulnerable children and adults.

The Contractor was recently awarded contracts based on two formal solicitations for similar MRVs with the County of San Diego and performed satisfactorily.

FINANCIAL IMPACT:

Appropriation for this Subordinate Contract are included in Budget Control 063, Social Services Agency FY 2020-21 Budget.

This Subordinate Contract is funded with County General Funds. SSA is able to absorb the cost with existing budgeted appropriations due to Department-wide cost saving measures, maximizing state and federal allocations and with one-time unanticipated revenue sources allowing for available funding for the purchase of this Capital Asset.

Contingency of Funds

The proposed Contract includes provisions that the Contract is contingent upon the availability of funds and inclusion of sufficient funds in the budget approved by the Board for each fiscal year the Contract remains in effect or operation. In the event such funding is terminated or reduced, the County may terminate the Contract, reduce the County's maximum obligation or modify the Contract, without penalty.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

OC Public Works

ATTACHMENT(S):

- Attachment A – Subordinate Contract MA-080-21011559
- Attachment B – South Coast Air Quality Management District Rule 1196
- Attachment C – Contract Summary Form
- Attachment D – Government Code Section 29125
- Attachment E – Government Code Section 29130
- Attachment F – Government Code Section 25252

SUBORDINATE CONTRACT MA-080-21011559

FOR

MOBILE RESPONSE VEHICLE

BETWEEN

OC PUBLIC WORKS

AND

**LDV, INC. WHICH WILL DO BUSINESS IN CALIFORNIA AS
WISCONSIN LDV, INC.**



**SUBORDINATE CONTRACT MA-080-21011559
FOR
MOBILE RESPONSE VEHICLE
WITH
LDV, INC. WHICH WILL DO BUSINESS IN CALIFORNIA AS WISCONSIN LDV, INC.**

THIS Subordinate Contract **MA-080-21011559** for a Mobile Response Vehicle (“Contract”) is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California (“County”) and LDV, Inc. Which Will Do Business in California As Wisconsin LDV, Inc., with a place of business at 180 Industrial Drive, Burlington, WI 53105 (“Contractor”) with County and Contractor sometimes referred to individually as “Party” or collectively as “Parties.”

ATTACHMENTS

This Contract is comprised of this document and the following Attachments, which are attached hereto and incorporated by reference in this Contract:

Attachment A – Scope of Work

Attachment B – Payment/Compensation

Attachment C – Sample Floor Plan

Attachment D – Houston-Galveston Area Council of Governments (H-GAC) Contract AM10-20

Attachment E – Release of Liability & Title 13 California Code Disclosure of Regulation Applicability

RECITALS

WHEREAS, County and Contractor are entering into this Contract for a Mobile Response Vehicle under a firm fixed fee Contract; and,

WHEREAS, the Houston-Galveston Area Council of Governments (“H-GAC”) issued Contract AM10-20 with LDV, Inc. Which Will Do Business In California As Wisconsin LDV, Inc. for a Mobile Response Vehicle (“H-GAC Contract”), now in effect; and,

WHEREAS, Contractor agrees to provide a Mobile Response Vehicle to the County in accordance with the terms, conditions and pricing of the H-GAC Contract, incorporated herein by this reference, and the attached Scope of Work, identified and incorporated herein as Attachment A to this Contract; and,

WHEREAS, County agrees to pay Contractor the fixed-price as further set forth in Payment/Compensation, attached hereto as Attachment B; and,

NOW, THEREFORE, the Parties mutually agree as follows:

DEFINITIONS

“DPA” shall mean the Deputy Purchasing Agent assigned to this Contract.

ARTICLESGeneral Terms and Conditions:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.
- B. **Entire Contract:** This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Procurement Officer or designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this Contract. County reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind County to accept future shipments nor deprive it of the right to return goods already accepted at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by County.
- F. **Acceptance Payment:** Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Warranty:** Contractor expressly warrants that the goods covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnities as identified in **article "Z"** below, and as more fully described in **article "Z,"** harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal

codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in **article "Z"** below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.
- I. **Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
- In the event of change of control, to the extent necessary, Contractor shall provide reasonably requested assistance in the transferring of services.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.
- N. **Performance Warranty:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all

documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

O. Insurance Requirements:

Contractor will need to comply with the following insurance requirements if making the deliveries to the County of Orange. No insurance is required if a common carrier makes deliveries to the County of Orange.

Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this

Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT.***
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the **County of Orange, its elected and appointed officials, officers, agents and employees** or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT**.

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

The Commercial General Liability policy shall contain a "Severability of Interests" clause also known as a "Separation of Insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Procurement or the agency/department procurement division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

P. **Changes:** Contractor shall make no changes in the work or perform any additional work without the County's specific written approval.

Q. **Change of Ownership/Name, Litigation Status, Conflicts with County Interests:**

Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract, and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

- R. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- S. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- T. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of **article "Z"** below, Contractor agrees that it shall defend, indemnify and hold County and County INDEMNITEES harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- U. **Freight:** Prior to the County's express acceptance of delivery of products. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
- V. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- W. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.

- X. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.
- Y. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.
- Z. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.
- AA. **Audits/Inspections:** Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have

information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this Contract shall be forwarded to the County's project manager.

- BB. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
- CC. **Expenditure Limit:** The Contractor shall notify the County of Orange assigned DPA in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

Additional Terms and Conditions:

1. **Scope of Services:** This Contract specifies the contractual terms and conditions by which the Contractor shall provide a Mobile Response Vehicle in accordance the terms, conditions, and pricing of the H-GAC Contract.
2. **Term:** This Contract shall commence upon execution of all necessary signatures. Contractor must deliver a Mobile Response Vehicle by October 1, 2022, unless County authorizes an extension of time in writing.
3. **Not To Exceed Limit:** The total amount of this Contract shall not exceed \$750,000.00. The County shall have no obligation to pay any sum in excess of this amount unless authorized by written amendment signed by both Parties.
4. **Adjustments – Scope of Work:** No adjustments made to the Scope of Work will be authorized without prior written approval of the County assigned DPA.
5. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
 - a. Terminate the Contract immediately, pursuant to **article "K"** herein;
 - b. Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
 - c. Discontinue payment to the Contactor for and during the period in which the Contractor is in breach; and

- d. Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.
6. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
7. **Disputes – Contract:** The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor’s Project Manager and the County’s Project Manager, as specified in Article 8 “Notices,” such matter shall be brought to the attention of the County DPA by way of the following process:
- a. The Contractor shall submit to the agency/department assigned DPA a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
- b. The Contractor’s written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.
8. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the Parties’ Project Managers’ routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor: LDV, Inc. Which Will Do Business in California As Wisconsin
LDV, Inc.
Attn: Rick Zinnan
180 Industrial Drive
Burlington CA, 53105
Phone: (262) 757-2432
Email: rzinnen@ldvusa.com

County’s Project Manager: OC Public Works/OC Fleet Services
Attn: Omar Leyva/Project Manager
445 W. Civic Center Dr.
Santa Ana, CA 92701
Phone: 714-955-0376

Email: Omar.Leyva@ocpw.ocgov.com

cc: OC Public Works/Procurement Services
 Attn: Carlos Corona, County DPA
 601 North Ross Street
 Santa Ana, CA 92701
 Phone: 714-667-9694
 Email: Carlos.Corona@ocpw.ocgov.com

9. **Subcontracting:** No performance of this Contract or any portion thereof may be subcontracted by the Contractor without the express written consent of the County. Any attempt by the Contractor to subcontract any performance of this Contract without the express written consent of the County shall be invalid and shall constitute a breach of this Contract.

In the event that the Contractor is authorized by the County to subcontract, this Contract shall take precedence over the terms of the Contract between Contractor and subcontractor, and shall incorporate by reference the terms of this Contract. The County shall look to the Contractor for performance and indemnification and not deal directly with any subcontractor. All work performed by a subcontractor must meet the approval of the County of Orange.

10. **Termination – Orderly:** After receipt of a termination notice from the County of Orange, the Contractor may submit to the County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by the County upon written request of the Contractor. Upon termination County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of the Contract.
11. **Project Manager, County:** The County shall appoint a project manager to act as liaison between the County and the Contractor during the term of this Contract. The County's project manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's project manager shall have the right to require the removal and replacement of the Contractor's project manager and key personnel. The County's project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice from the County's project manager. The County's project manager shall review and approve the appointment of the replacement for the Contractor's project manager and key personnel. Said approval shall not be unreasonably withheld. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date following their respective signatures.

LDV, INC. WHICH WILL DO BUSINESS IN CALIFORNIA AS WISCONSIN LDV, INC*

<i>Kurt Petrie</i>	Kurt Petrie	President	5/12/2021
Signature	Name	Title	Date

<i>Rick Guerra</i>	Rick Guerra	Secretary	5/13/2021
Signature	Name	Title	Date

COUNTY OF ORANGE, A political subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

Signature	Name	Title	Date
-----------	------	-------	------

APPROVED AS TO FORM:
 County Counsel

By: William Ninh
 Deputy

Name: william Ninh

Date: 5/17/2021

* If the contracting party is a corporation, (2) two signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signee to bind the corporation.

**ATTACHMENT A
SCOPE OF WORK**

I. SCOPE OF WORK: This Contract is for a Mobile Response Vehicle. Contractor shall furnish all staffing, labor, equipment, and incidentals required to furnish one (1) Mobile Response Vehicle.

II. CONTRACTOR REQUIREMENTS:

Contractor shall provide County with one (1) 2021, or Newer, Mobile Response Vehicle (MRV), per the minimum specifications identified herein. County and Contractor mutually may agree to include additional equipment, items, components and finishes above the specified minimum requirements as necessary to provide a complete finished and refined product capable of performing the County's outreach goals. Sample Floor Plan has been attached for reference to specifications (Attachment C).

The hardware manufacturer and part numbers specified herein shall not be substituted without prior approval from the County. Where a brand name has been specified, if contractor believes an "or equal" is equivalent to the brand name shown, contract must provide documentation of the "or equal" and specify the brand name, model number, dimension, and/or capacities. Submitted equivalencies will be evaluated based on their comparison to the specified brand name and part number indicated regarding to the following design, function, performance, quality, availability, warranty, and installation requirements.

At a minimum, the MRV shall include the following specifications:

Item	Qty	Description
1.00		<u>CHASSIS AND BODY:</u>
1.01	1	Winnebago Custom Commercial ShellGeneral Specifications MEASUREMENTS: * Length bumper to bumper 38' 10", 466" * Exterior height w/ roof A/C 12' 11", 155" * Exterior width 8' 5.5", 101.5" * Interior height 7', 84" * Interior width 8' .5", 96.5" * Interior length behind cab 30' 8", 368" CHASSIS: FORD – 26,000 lb. hydraulic brake/spring suspension front and rear.248" wheelbase GVWR 26,000 lbs. 350-hp 7.3L V8 Triton® Engine TorqShift™ 6-speed Automatic Overdrive Transmission175-amp. Alternator Leveling System - HWH Automatic Controls
1.02	1	Street side slide out room, 13'7" long x 30".
1.03	1	Entrance door, main with upper window.
1.04	4	Roof Mounted - 15,000 Btu Air Conditioner with heat strips.

Item	Qty	Description
1.05	2	Power roof vent - 12V 3-speed reversible. NOTE: Covered with "Fantastic Vent" or equivalent.
1.06	1	Wheelchair access door.
1.07	1	Wheelchair Lift - Braun - UVL 850 Series30 Inch by 53 Inch Usable Platform
1.08	1	Street side egress window.
1.09	2	The vehicle shall come with a Carefree electric awning installed on the exterior of the vehicle. The awning shall be made of a woven acrylic material with FLXguard protection. The FLXguard shall be flexible, lightweight, and give protection to elements. The power source shall be hardwired into the vehicle's 12V system, and motor shall be mounted in the arm of the awning. Awning shall be controlled by a 3-position controller. The awning shall offer 6 variable pitch offerings that adjust manually. In the awning Roll Tube, there shall be a strip of LED's that are activated separately from the awning itself. NOTE: Body shall include a curbside mounted exterior full length powered awning with LED lighting, and automatic high wind retraction feature.
1.10	1	US DOT triangle reflector kit with three (3) triangles, for compliance with FMCSA regulations. Includes plastic storage case. Kit will be shipped loose in the vehicle.
1.11	2	Interior heavy-duty fluted aluminum grab handle with rubber inserts and chrome plated stanchions installed at entry door. NOTE: Located inside entry door.
1.12	1	Entire underside shall be undercoated. Includes chassis, floor extrusions, step wells and aluminum compartments.
1.13	1	LDV rear mud flaps. Includes anti-sail brackets when required.
1.14		Provide five (5) complete sets of chassis ignition and door keys. Provide five (5) complete sets of component keys (storage, body, doors, etc.). All storage compartments shall be keyed alike.
2.00		BODY:
2.01	1	Federal Signal Back-up alarm model 256 (or current model).
3.00		PAINT / GRAPHICS:
3.01		Body base color shall be white.
3.02		Vehicle graphic wrap. Design and vector artwork file supplied by customer. NOTE: LDV will provide and Install customer designed exterior coach wrap to be printed on high quality and long life 3M vinyl material that is resistive of fading, splitting, corroding, and has an expected service life no less than 10 years with proper care and maintenance. County will provide the design for the exterior coach wrap at the pre-construction conference after award of contract.
4.00		INDEPENDENCE ONYX INTERIOR: <ul style="list-style-type: none"> • Wall Covering: #66 Silver smooth FRP • Bulkhead Covering: #66 Silver smooth FRP • Ceiling: Soft Material Ceilo-Ivory • Floor Covering: Lonseal Flecks – Moonstone C8157 • Office Chairs: Black • Vinyl Coverings: Alante - Reef AL-897 • Cabinets: RAL 7030 Stone Gray powder coated aluminum • Counters and Tables: WilsonArt Laminate – Calcutta Marble 4925 Note: Manufacturer reserves the right to substitute equivalent materials.
5.00		DRIVER / PASSENGER CAB AREA:
5.01		Cab Area Additions: <ul style="list-style-type: none"> • Vehicle height sign on dash.

Item	Qty	Description
		<ul style="list-style-type: none"> • Vehicle shall have a Final Stage Vehicle Certification and Altered Vehicle Certification as required by Federal Motor Vehicle Safety Standards (FMVSS) 49 CFR Part 567.5 and 567.7 • Payload sticker in cab area with vehicle axle load ratings and available axle payload as built. NOTE: High visibility sign affixed within clear view of the driver identifying the vehicle operating height. Clearly visible payload placard with vehicle's available payload capacity as built.
5.02	1	Brigade Backeye 360 Select surround surveillance system.
6.00		WALLS, CEILING AND FLOOR:
6.01		Bright plated E-track as shown on drawing. NOTE: Locate in rear room on curb side wall. Installed in (2) rows.
6.02		Install luan floor covering over tongue & groove plywood, to provide smooth floor base.
6.03		Lonseal Loncoin II Flecks non-skid commercial grade PVC flooring. The flooring shall be continuous, one piece full length, full width, no seams.
6.04	2	FRP covered pocket door installed on heavy-duty aluminum track with two (2) four-wheel roller trucks. Pocket door shall have recessed handles and a magnetic latch to keep the door closed.
6.05		Divider privacy curtain with ceiling track and stainless steel hooks. NOTE: Locate behind driver and passenger seats.
6.06		All bulkheads shall be covered with Kemlite 0.075" FRP laminate. Trim exposed edges of bulkheads with rounded anodized aluminum trim where applicable.
6.07		Cover load space door with white aluminum panel.
7.00		GALLEY / LAVATORY:
7.01	1	Magic Chef 1.1 cu.ft. 1000-watt microwave oven. Model MCM1110B
7.02	1	Norcold model DE-0061 (or current model) 12Vdc/120Vac refrigerator. Refrigerator has the following features: <ul style="list-style-type: none"> • 7.0 ft³ capacity • Two door model • 3.2A - 12Vdc/0.4A - 120Vac • Integrated door latches
7.03	1	Pressurized Galley and Lavatory Water System. Includes: <ul style="list-style-type: none"> • Thetford Aqua Magic low-profile toilet in lavatory. • 10" round stainless steel lavatory sink with chrome plated sink hardware. • Stainless steel galley sink with chrome plated sink hardware. • Two (2) chrome plated paper towel holders and one (1) chrome plated toilet paper holder in lavatory. • Fresh water/waste tank level monitor in lavatory area. • Aqua Jet model #5503-AV15-B636 (or current model) 5.3 GPM water pump with accumulator tank. • 2.5 gallon electric water heater. • One (1) 40 gallon fresh water supply tank, one (1) 45 gallon grey waste tank, and one (1) 45 gallon black waste tank. • Plumbing pressure pipes shall be PEX tubing. • Underbody fresh water and grey water tanks are to be heated and all plumbing insulated and wrapped with heat tape. • Sewage hose and dump valve shall be provided for holding tank. • Regulated city water fill so that system can be pressurized using city water when available. • Winterizing valve mounted in line on the input side of the water pump. Valve allows antifreeze to be pumped throughout the system to winterize plumbing.
7.04	1	Permanently mounted holding tank rinsing system.

Item	Qty	Description
		NOTE: Installed in BLACK water tank. Black tank flushing/self cleaning feature.
8.00		SEATING:
8.01	8	Space Air Grid 55-38N17 black office chair with arm rests, five caster spider base, and adjustable height.
8.02		Fabricate and install fixed bench seating with removable cushions as shown on drawing. Bench seat cushions shall be covered in heavy-duty vinyl.
8.03		BENCH SEAT REQUIREMENTS: <ul style="list-style-type: none"> • Foam for seat backs and bottoms shall be firm density. • All bench seating material must meet Federal Motor Vehicle Safety Standards part 571.302 Flammability of Interior Materials. • Material corners shall be squared or angled to fit precise cut of foam. • Foam shall be bonded to plywood backer with industrial grade adhesive. • Attachment of fabric/vinyl to backer shall utilize industrial grade upholstery staples.
9.00		CABINETS:
9.01		Custom fabricated aluminum cabinets located as shown on drawing. Cabinet specifications: <ul style="list-style-type: none"> • Base cabinets constructed of 0.080" powder coated aluminum with anodized aluminum frames. • Base cabinet doors are double shell, formed from a single sheet of 0.080" aluminum, with a 0.040" aluminum door back attached. • Overhead cabinets constructed of 0.064" powder coated aluminum with anodized aluminum frames. • Overhead cabinet doors are double shell, formed from a single sheet of 0.064" aluminum, with a 0.040" aluminum door back attached. • Overhead cabinet doors swing up.
9.02	12	Key lock on cabinet door/drawer. NOTE: All cabinet doors and drawers to be locking and keyed alike.
9.03		Countertops shall be covered in 0.040" Wilsonart laminate. All exposed edges shall be covered with heavy duty flexible PVC T-molding.
9.04		Conference table covered in 0.040" Wilsonart laminate. All exposed edges shall be covered with heavy duty flexible PVC T-molding.
9.05	1	Powder coated 0.125" aluminum table leg.
9.06	1	120/240Vac Control Center, 12Vdc power panels, master disconnect switch and auto resetting breakers shall be located in cabinet as shown on drawing.
10.00		HVAC SYSTEM: (See Section 1 "CHASSIS AND BODY" for additional HVAC components)
10.01	2	Broan model 112 kick space mount 5,120 Btu/hr electric heater. Located as shown on drawing.
11.00		AC ELECTRICAL SYSTEM:
11.01	1	Onan Commercial Quiet Diesel 12-kW generator model 12.0HDKCD-2209 mounted in an underbody compartment. Generator features: <ul style="list-style-type: none"> • Computer-controlled constant speed operation • Unique sound-controlled housing encloses cooling system and muffler (69 dB(A) @ full load measured at 10 feet) • Three-point, fully focalized internal mounting system • Service and maintenance points accessible through easy-latch side service door • High quality, pure sine wave electrical output maximizes sensitive equipment performance • Typical Gal/hr fuel consumption: No load = 0.11, Half load = 0.48, Full load = 1.20
11.02	1	Gen-turi Generator exhaust system.
11.03	1	Auxiliary 25-gallon diesel fuel tank with sending unit and gauge.
11.04	1	ACData surge suppressor for protection of entire AC power system. Product features:

Item	Qty	Description
		<ul style="list-style-type: none"> • UL listed: UL1449 3rd Edition • LED visual verification of status
11.05	1	60A-120/240Vac and 12Vdc combined electrical control panel with the following features: <ul style="list-style-type: none"> • Generator and shore power main breakers • Six (6) AC UL listed magnetic/hydraulic branch circuit breakers with LED indicators • Six (6) DC UL listed magnetic/hydraulic circuit breakers with LED indicators • Digital AC meters: voltage, amperage • Digital DC voltmeter • Generator stop/start switch, generator hour meter
11.06		120Vac auxiliary control panels as required with UL listed magnetic/hydraulic circuit breakers and LED indicators.
11.07	1	Marinco 50A-125/250Vac shore power package including: <ul style="list-style-type: none"> • Waterproof shore power inlet with cap • 50-ft. 50A-125/250Vac shore power cord • 6-ft. 50A-125/250Vac pigtail NOTE: Locate shore inlet in street side underbody compartment.
11.08	8	20A-125Vac duplex receptacle. Receptacle is not dedicated to any installed equipment.
11.09	1	20A-125Vac GFCI duplex receptacle. These receptacles are not dedicated to any installed equipment. NOTE: Located in bathroom.
11.10	4	20A-125Vac exterior GFCI duplex receptacle. NOTE: Minimum four (4) curbside exterior weather rated electrical outlets with protective covers.
11.11		Wire chase wire management raceway system located as shown on drawing.
11.12	1	AC WIRING REQUIREMENTS: <ul style="list-style-type: none"> • All AC main wiring shall be stranded THHN wire and run in surface mount raceway. • All AC branch circuit wiring shall be stranded THHN wire (AWG 12 minimum) and run in surface mount raceway. • All AC wiring shall be separated from communications wiring in surface mount raceway. • All electrical circuits and appliances shall conform to applicable national electrical codes.
12.00		DC ELECTRICAL SYSTEM:
12.01	1	80 amp electronic converter/charger. Product features: <ul style="list-style-type: none"> • Charges up to three banks of batteries at the same time. • UL listed for safety. • Manual reset circuit breaker. • Reverse battery protection. • Electronic current limiting. • High voltage protection. NOTE: Locate in curb side underbody compartment.
12.02	1	Go Power Overlander Solar kit. <ul style="list-style-type: none"> • One (1) Solar panel – 190W GP-PV-190M • Mounting hardware – GP-MH-4-KB • 25' Power and Ground Cable • 30 amp Controller – GP-PWM-30
12.03	25	Light, Orion 6" LED, neutral white with polished bezel.
12.04	8	Whelen M9LZC Gradient LED Scene Light with chrome flange. NOTE: Locate (3) curb side, (3) street side, and (2) rear.

Item	Qty	Description
12.05	2	Optronics LED Scene Light. Includes chrome flange. NOTE: Locate (1) at curb side entry door, (1) at wheel chair door.
12.06		12VDC WIRING REQUIREMENTS: <ul style="list-style-type: none"> • 2-gauge minimum copper stranded battery cable shall be used for 12Vdc main supply lines. All cable runs shall be full length, no splices. All cable terminals shall be staked and soldered. All cable shall be enclosed in convoluted polyethylene tubing and the ends of the cable shall be sealed with color-coded shrink-wrap identifying the function of the cable. • All added electrical branch circuits shall be protected from over-current by resettable circuit breakers appropriately rated for the load. Only circuit breakers shall be used in the installation of added electrical branch circuit wiring (plug type fuses are unacceptable). • Circuit breaker functions shall be identified by engraved or printed labels. • All added wiring for load runs of AWG 10, 12, 14, and 18, shall conform to MIL-W-16878/2 and/or UL1007/1569” • All added wiring for load runs of AWG 8, shall conform to MIL-W-16878/3 and/or UL1028 • Wire terminals for added circuits must conform to MIL-T-7928. Terminals shall be insulated, insulation grip, TYPE II, CLASS 2 and shall be crimped with tooling recommended by the terminal manufacturer. • All wiring shall be numbered or lettered on 6" centers minimum. • Wiring shall be protected from chafing and abrasion with convoluted polyethylene tubing (wire loom) as required. • Where wire passes through sheet metal, bulkheads and structural supports, plastic grommets shall be used to protect both wiring and wire looms. • All wire bundles shall be tied with trimmed nylon ties. • Extreme care shall be exercised to provide for easy serviceability of the system in future years. • Extreme care must be taken in the installation to avoid the engine manifold, engine exhaust, and muffler, which could expose the wiring to severe overheating during long periods of operation. Proper insulation and heat deflection panels must be installed in such areas. • A high-current 12Vdc system wiring schematic shall be provided. • These are the minimum acceptable 12Vdc wiring requirements.
13.00		AUDIO / VIDEO:
13.01	2	Samsung QM50R QMR Series - 50" Class (49.5" viewable) LED display - 4K NOTE: Locate (1) in exterior compartment and (1) above electronics cabinet.
13.02	1	Exterior surface mounted compartment to house the exterior TV. Door to be constructed from 0.125" aluminum with all welded seams, hinged at the top. Product features: <ul style="list-style-type: none"> • Gas charged lift supports and locking latch. • Installed and Painted to match body. • Does not include monitor.
13.03	1	Winegard Carryout G2+ satellite TV antenna system with roof mount. <ul style="list-style-type: none"> • Fully automatic satellite acquisition • Multi TV viewing
13.04	1	DirecTV H24 satellite TV receiver. NOTE: Locate below interior TV above communications cabinet. Distributed to (2) TV's.
13.05	1	Bogen TPU-15 (or current model) paging amplifier with two (2) Whelen SA315P (or current model) speakers.
13.06	1	Audio Technica wireless microphone system interfaced to Bogen paging amplifier.
14.00		TELEPHONE SYSTEM:

Item	Qty	Description
14.01	2	Land Line input. NOTE: Coach shall be equipped with two (2) exterior standard analog phone line jacks wired to an interior standard analog phone jack terminating inside the network IT cabinet. 1st port will be for inbound connection from a supportive facility. 2nd port will be for outbound from internal analog distributor located in the IT cabinet to support outside analog needs when away from a supportive facility. Both exterior jacks shall be located on the back curbside of vehicle.
14.02	4	Telephone extension jack. NOTE: Locations: <ul style="list-style-type: none"> • Three (3) in network IT cabinet. (Two from exterior jacks, one from rear office) • One (1) in rear office area. Rear office area shall be equipped with one (1) standard analog phone line jack wired to an interior standard analog phone jack terminating inside the network IT cabinet.
15.00		COMPUTER NETWORK AND EQUIPMENT:
15.01	20	RJ-45 Cat6 computer network jack with Cat6 cable routed through Carlon Flex-Plus ENT conduit or raceway (as applicable). NOTE: Locations: <ul style="list-style-type: none"> • One (2) at each workstation (twelve total). • One (1) exterior in weatherproof box.
15.02	1	Leviton 69270-U24 24-port Cat6 rack mount patch panel.
15.03	20	Certified 18" Cat6 patch cord. As Required.
15.04	1	Cable Certification Report confirming that network wiring complies with Cat6 specifications.
15.05	1	NETGEAR 8-Port Gigabit Ethernet Unmanaged PoE Switch (GS108LP) - with 8 x PoE+
15.06	1	Middle Atlantic RK8 (or current model) eight space rack enclosure. NOTE: Network patch panel will be located in the rack. Available room for customer supplied and installed equipment. Rack to be located in communications closet.
15.07	1	HP Color LaserJet Pro Multi-Function Printer (MFP) M479FDW Product features: <ul style="list-style-type: none"> • Black/white or color print, copy, scan, and fax capable • 1 Hi-Speed USB 2.0; 1 host USB at rear side; Gigabit Ethernet 10/100/1000BASE-T network; 802.3az(EEE) 802.11b/g/n / 2.4 / 5 GHZ Wi-Fi radio • Dimensions (W X D X H) 16.8 x 25.7 x 16.3 in; 51.6 Lbs. NOTE: Locate below interior TV above electronics cabinet.
15.08	20	Notebook computer allowance, up to \$2,000.00 per unit.
15.09	6	ViewSonic VX3211-4K-MHD 32" monitor with fixed wall mount. Features: <ul style="list-style-type: none"> • 4K resolution • (2) HDMI, (1) DisplayPort • (2) Internal speakers • VESA compatible 100 x 100 mm • Dimensions: 28.7(w) x 17.0(h) x 2.5(d) (in) • Weight: 12.7 lbs NOTE: Locate (1) at each workstation (total 5) and (1) at rear conference table.
15.10	6	Docking station for laptop. Make/Model to be determined based on final Laptop selection. NOTE: Locate (1) at each workstation (total 5) and (1) at rear conference table.
15.11	10	Tablet allowance, up to \$400.00 per unit.

Item	Qty	Description
15.12	2	Cradlepoint E3000 cellular router with single modem and roof mounted Centurion Nxt Quad LTE antenna. Features: <ul style="list-style-type: none"> • Modem: Cat 18 LTE Advanced Pro • Dual SIM slots, mini 2FF form factor • SIM-based auto-carrier selection • Upload/Download Speed: 1.2 Gbps / 150 Mbps • WiFi: Dual-Radio, Dual-Band (2.4 GHz and 5 GHz) • WAN / LAN: Cat 18, GbE, SFP+ / Wi-Fi 6, GbE • GNSS/GPS: 1 x SMA GNSS antenna connector
15.13	2	Cradlepoint MC400 modular modem to add a second modem to the E3000 mobile router. Includes E300/E3000 doors and roof mounted Centurion Nxt Quad LTE antenna. NOTE: Includes 5G antenna
16.00		MISCELLANEOUS ELECTRONICS:
16.01	1	Napco Gemini alarm system. System includes magnetic contacts on all entry doors, exterior storage compartment doors, battery box doors, generator compartment doors and hood. Two (2) key fobs, key pad, 360° ceiling mounted motion sensors, siren and bell.
16.02	2	Napco GEM-KEYF key fob transmitter (or current model). Product features: <ul style="list-style-type: none"> • 4-button operation: 2 for on/off of security system and 2 programmable for aux. functions • Visual indicator confirms transmission or low battery • Includes key ring, neck chain, replaceable battery, 2 & 4 key (button) sets and plugs for unused keys
16.03	1	Middle Atlantic Products, Inc. MRK-2426 (or current model) twenty-four-space 19" wide x 26.5" depth (24" useable depth) open framed electronics equipment rack. Rack will slide out from its fixed position to allow side access to rack equipment.
16.04	1	Middle Atlantic VFD-24 vented front door with key lock.
16.05	1	Middle Atlantic MW-4FT top fan panel, with two (2) 50 cfm ventilation fans, QFAN.
16.06	1	Middle Atlantic PD-815SC-NS 15 amp power strip with eight (8) outlets. Includes PB-XS rack mounting bracket.
17.00		MISCELLANEOUS OTHER:
17.01	1	5 pound dry chemical fire extinguisher. NOTE: Mounted near front entry door
17.02	3	First Alert 9-volt combination Carbon Monoxide and Smoke alarm. One detector required for each area divided by a door.
17.03	6	EZ-UP Eclipse Shelter. 10' x 10' steel framed shelter with customized cover. Includes: <ul style="list-style-type: none"> • 10' x 10' Steel frame • Eclipse Pro Top with custom printing on (4) peaks and (4) valances • Deluxe roller bag • Stake kit NOTE: Design and color TBD. Shipped loose.
17.04	8	Lifetime Commercial grade folding chairs with padded seat, per (4). NOTE: Shipped loose.
17.05	10	Lifetime Commercial grade 8-foot folding table. NOTE:

Item	Qty	Description
		Shipped loose.
17.06	4	Lasko 20" High Velocity QuickMount Floor/Wall Fan, Silver 2265QM. NOTE: Shipped loose.
17.07	1	Complete manual set, including the following (as applicable): <ul style="list-style-type: none"> • As-built specifications with interior and exterior drawings as used for production of the vehicle. • Chassis and body owner's manuals. • 12Vdc and 120Vac legends showing wire gauge, color, number and function. • 12Vdc high current wiring diagram illustrating the battery system, isolators, power converters, alternator, disconnect switches and control panels. • Audio/Video cabling diagram. • Warranty and Return Authorization procedures. • Chassis and generator maintenance and service logs. • Battery maintenance information. • All individual component manuals and warranty registration cards as provided by component manufacturers. Customer is responsible for completing warranty cards and mailing them to manufacturers.
17.08	1	At time of delivery to customers facility an LDV representative will provide up to Four (4) hours of orientation on LDV provided systems, as applicable: <ul style="list-style-type: none"> • Generator start up and shut down procedure • Leveling system operation • AC and DC electrical systems operation • HVAC systems operation • Audio/Video system operation, does not include programming VCR's, TV's, etc. • Awning operation
17.09		LDV warranty, covering 1 year or 12,000 miles for manufacturer's defects in materials and workmanship. Refer to LDV warranty statement for details of warranty coverage.
17.10		Extended warranty upgrade. Upgrades standard warranty to 5-year, 200,000-mile, 7500-hour Bumper-to-bumper warranty. \$100.00 deductible per incident. <ul style="list-style-type: none"> • Provide comprehensive bumper-to-bumper warranty coverage for the cab, chassis, powertrain, and components and systems which do not carry individual component warranties. Coverage shall include the engine and all systems/components which maintain, manage, control, or support operation of the engine and emissions system, covering as many major and minor components as possible. Coverage should include as many items not specified as maintenance items as possible. Warranty terms shall be no less than 5-Year/200,000 Miles, 7,500-hour, Battery 12 months. In-service date shall be determined by the County at the time when equipment preparation has been completed and the County determines the vehicle is ready to be delivered to the end user. • All transportation of the vehicle, for purposes of testing, fabrication/construction, repair of deficiencies, or warranty repair, shall be done by a means which does not incur driving miles on the equipment when the transportation requires moving the vehicle to or from locations more than 50 road miles from the County's Operations Center. Such transportation shall be provided at no cost to the County.
17.11		Note: Project scope does not include certain tasks or costs that are the responsibility of the customer unless clearly specified as LDV supplied. These items include, but are not limited to: <ul style="list-style-type: none"> • Radio and telephone system programming. • Activation and service fees for cellular telephones, satellite telephones, satellite TV,

Item	Qty	Description
		satellite internet access. • Loading and configuring computer software. In the event of a discrepancy between the drawing and specification, the specification will supersede. LDV reserves the right to make substitutions of equal quality and specifications of those listed in this document. Some component models change frequently. In the event that a specified component model becomes unavailable at the time LDV attempts to source it, LDV will provide a replacement model with equivalent or better features, as agreed upon with the customer.

County and Contractor may mutually agree to modify the minimum specifications to include additional equipment, items, components and finishes as necessary.

III. WARRANTY:

Standard warranty:

Winnebago Basic: 1 year, 12,000 miles

Winnebago Shell: 3 year, 36,000 miles

LDV upfit 1 year: 12,000 miles

Freightliner chassis: Components vary, see attached warranty brochure

Generator: 1 year

IV. DELIVERY: Contractor shall notify either contact person below five (5) working days prior to delivery. Contractor shall deliver the MRV by October 1, 2022 to:

OC Public Works/OC Fleet Services

1102 East Fruit Street

Santa Ana, CA 92701

Attn: Frank Avalos

Phone: 714-412-1948

V. TRADE-IN

At the completion of the MRV, the County shall have the option to release title of ownership of County Vehicle VIN 4UZACLBW97CZ14802 (County Asset #54533) to the Contractor. The Contractor shall provide County with a credit of \$25,000 toward the cost of the Mobile Response Vehicle if County exercises this option.

Contractor shall provide new owner information for DMV release of liability form and sign acknowledgement of Title 13 California Code Disclosure of Regulation Applicability. Contractor shall be responsible for all the cost associated with the pick-up and delivery of the County Vehicle.

**ATTACHMENT B
PAYMENT/COMPENSATION**

- COMPENSATION:** This is a firm-fixed fee Contract between the County and Contractor for a Mobile Response Vehicle as set forth in Attachment A, "Scope of Work."

The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing, labor and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein below. **The County shall have no obligation to pay any sum in excess of Total Contract Amount.**

- PRICING:** Payment shall be made in accordance with the provisions of this Contract. Payment shall be as follows:

A. Line Items

ITEM	DESCRIPTION	QTY	UNIT
1	2021, or Newer, Mobile Response Vehicle (MRV)	1	EA
2	Contract Administration Fee – HGAC \$1,000.00	1	EA
3	Delivery charge to Orange County (CA)	1	EA
4	CA Tire Fee (Non-taxable)	1	EA
5	Extended Warranty	1	EA

(Final invoice line items may vary)

B. TOTAL CONTRACT AMOUNT SHALL NOT EXCEED:..... \$750,000.00

- PAYMENT TERMS.** Payment will be net **30 days** after receipt of an invoice in a format acceptable to the County of Orange. Invoices shall be verified and approved by the County and subject to routine processing requirements. The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction.

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

- Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will

leave an invoice with each delivery. Each invoice will have a number and will include the following information:

- A. Contractor's name and address
- B. Contractor's remittance address, if different from "A" above
- C. Contractor's Taxpayer ID Number
- D. Name of County Agency/Department
- E. Delivery/Service address
- F. Master Agreement (MA) or Purchase Order (PO) number
- G. Agency/Department's Account Number
- H. Date of invoice
- I. Product/Service description, quantity, and prices
- J. Sales tax, if applicable
- K. Freight/Delivery charges, if applicable
- L. Total

Invoices and support documentation are to be forwarded to:

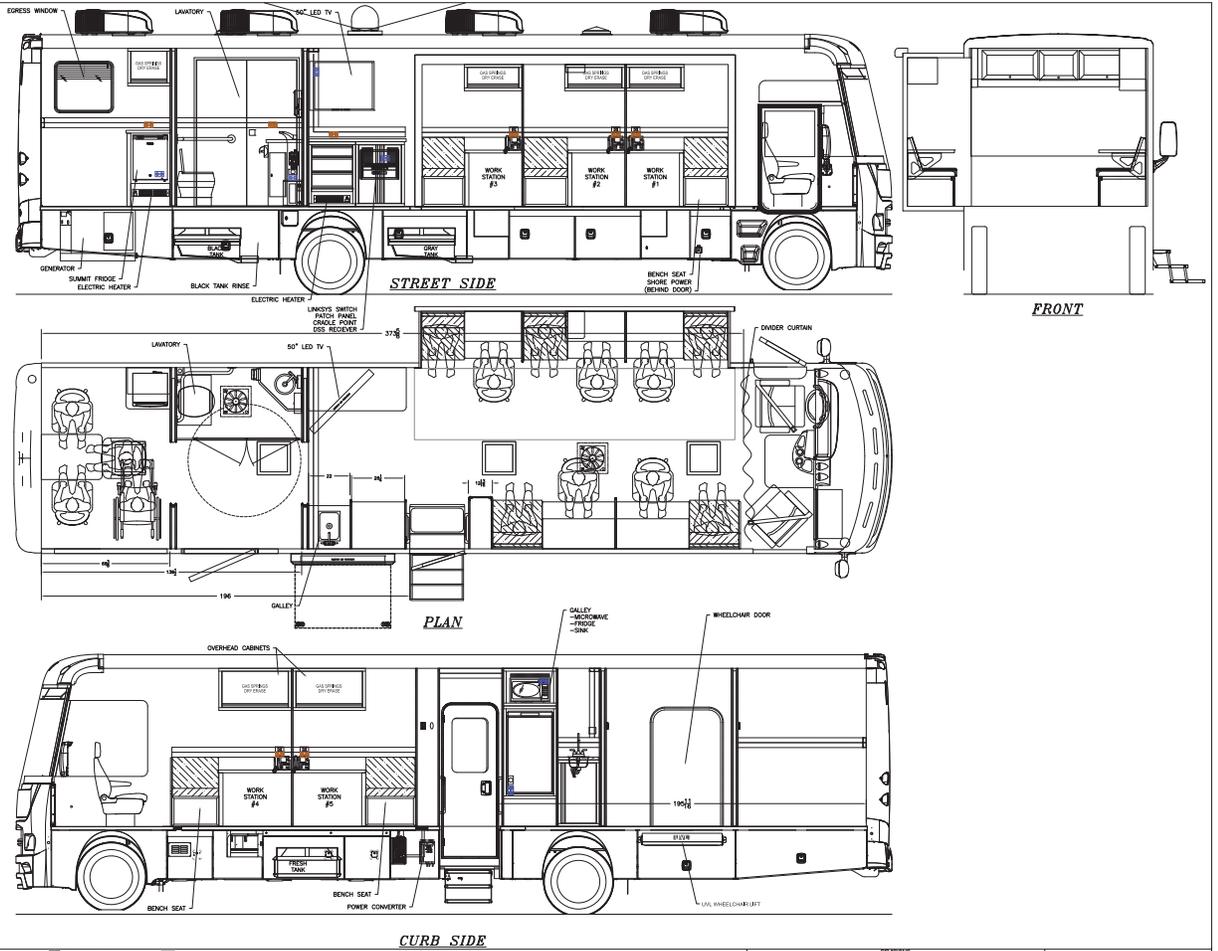
OC Public Works/OC Fleet Services
Attn: Accounts Payable
445 Civic Center Drive West
Santa Ana, CA 92701-4550

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via an EFT Authorization Form. To request a form, please contact the DPA.

**ATTACHMENT C
SAMPLE FLOOR PLAN
(See Separate Attachment)**

ATTACHMENT D
HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) CONTRACT
AM10-20
(See Separate Attachment)

**ATTACHMENT E
RELEASE OF LIABILITY & TITLE 13 CALIFORNIA CODE DISCLOSURE OF
REGULATION APPLICABILITY
(See Separate Attachment)**



DocuSign Envelope ID: FA37020-4E28-4E58-86A1-7042E78528A

Attachment C - Sample Floor Plan

- LED CEILING LIGHT (WHITE)
- LED CEILING LIGHT (WHITE, RED OR BLUE)
- ON OR ON DURING REDUCED NOISE
- 120 VAC
- 120 VAC WITH DUAL USB PORTS
- 120 VAC G.F.I.
- HEATER
- 12 VDC
- GALLEY EXTERIORIZATION COLOR
- 120 VAC (ELECTRONIC/REDUCED)
- 120 VAC (NON-REDUCED)
- 120 VAC (NOT/AUTO EJECT/SHORE)

- HIGH PORT
- RJ-45 NETWORK JACK
- RJ-11 TELEPHONE JACK
- TV ANTENNA
- SHAVE PLACE
- SPEAKER VOLUME SWITCH
- MICROPHONE
- 3PS INTERIOR WIRELESS TOUCH PAD
- 3PS EXTERIOR WIRELESS TOUCH PAD
- SURVEILLANCE CAMERA
- EXTERIOR 120 VAC G.F.I.
- AC THERMOSTAT
- ESPRIMO FURNACE THERMOSTAT

- ALARM SYSTEM CONTROL
- WATER/WASTE TANK LEVEL MONITOR
- CO/SMOKE DETECTOR
- SPEAKER
- BACK-UP CAMERA
- FORWARD CAMERA

- 120 VAC
- 120 VAC WITH DUAL USB PORTS
- 120 VAC G.F.I.
- HEATER
- 12 VDC
- GALLEY EXTERIORIZATION COLOR
- 120 VAC (ELECTRONIC/REDUCED)
- 120 VAC (NON-REDUCED)
- 120 VAC (NOT/AUTO EJECT/SHORE)
- HIGH PORT
- RJ-45 NETWORK JACK
- RJ-11 TELEPHONE JACK
- TV ANTENNA
- SHAVE PLACE
- SPEAKER VOLUME SWITCH
- MICROPHONE
- 3PS INTERIOR WIRELESS TOUCH PAD
- 3PS EXTERIOR WIRELESS TOUCH PAD
- SURVEILLANCE CAMERA
- EXTERIOR 120 VAC G.F.I.
- AC THERMOSTAT
- ESPRIMO FURNACE THERMOSTAT
- ALARM SYSTEM CONTROL
- WATER/WASTE TANK LEVEL MONITOR
- CO/SMOKE DETECTOR
- SPEAKER
- BACK-UP CAMERA
- FORWARD CAMERA

SOME ITEMS SHOWN MAY BE CUSTOMER SUPPLIED OR OPTIONAL. REFER TO SPECIFICATIONS FOR DETAILS.

THIS DRAWING AND THE INFORMATION THEREON IS THE EXCLUSIVE PROPERTY OF LDV, INC. AND IS TO BE USED ONLY FOR DEVELOPMENT AND MANUFACTURE OF THE PRODUCT SHOWN. ALL RIGHTS RESERVED IN U.S. COPYRIGHT LAW.

REVISIONS		DATE	BY
1	DESCRIPTION		
2			
3			
4			
5			
6			
7			

LDV

ORANGE CITY SOCIAL SERVICES
M38EWC-34921-20

Drawn By: [Name] Date: [Date]
 Checked By: [Name] Date: [Date]
 Project No: [Number] Title: [Title]
 Scale: [Scale] Issues: [Number]

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement - LDV, Inc. - Public Services - -ID: 5690 20-01128

GENERAL PROVISIONS

This Agreement is made and entered into, by and between the Houston-Galveston Area Council hereinafter referred to as H-GAC having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027 and LDV, Inc., hereinafter referred to as the Contractor, having its principal place of business at 180 Industrial Drive, Burlington, WI 53105.

WITNESSETH:

WHEREAS, H-GAC hereby engages the Contractor to perform certain services in accordance with the specifications of the Agreement; and

WHEREAS, the Contractor has agreed to perform such services in accordance with the specifications of the Agreement;

NOW, THEREFORE, H-GAC and the Contractor do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Contractor warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The Contractor's governing body, where applicable, has authorized the signatory official(s) to enter into this Agreement and bind the Contractor to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2: APPLICABLE LAWS

The Contractor agrees to conduct all activities under this Agreement in accordance with all applicable rules, regulations, directives, standards, ordinances, and laws, in effect or promulgated during the term of this Agreement, including without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish H-GAC with satisfactory proof of its compliance therewith.

ARTICLE 3: INDEPENDENT CONTRACTOR

The execution of this Agreement and the rendering of services prescribed by this Agreement do not change the independent status of H-GAC or the Contractor. No provision of this Agreement or act of H-GAC in performance of the Agreement shall be construed as making the Contractor the agent, servant or employee of H-GAC, the State of Texas or the United States Government. Employees of the Contractor are subject to the exclusive control and supervision of the Contractor. The Contractor is solely responsible for employee related disputes and discrepancies, including employee payrolls and any claims arising therefrom.

ARTICLE 4: WHOLE AGREEMENT

The General Provisions, Special Provisions, and Attachments, as provided herein, constitute the complete Agreement ("Agreement") between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 5: SCOPE OF SERVICES

The services to be performed by the Contractor are outlined in an Attachment to this Agreement.

ARTICLE 6: PERFORMANCE PERIOD

This Agreement shall be performed during the period which begins Oct 01 2020 and ends Sep 30 2022. All services under this Agreement must be rendered within this performance period, unless directly specified under a written change or extension provisioned under Article 14, which shall be fully executed by both parties to this Agreement.

ARTICLE 7: PAYMENT OR FUNDING

Payment provisions under this Agreement are outlined in the Special Provisions.

ARTICLE 8: REPORTING REQUIREMENTS

If the Contractor fails to submit to H-GAC in a timely and satisfactory manner any report required by this Agreement, or otherwise fails to satisfactorily render performances hereunder, H-GAC may terminate this agreement with notice as identified in Article 15 of these General Provisions. H-GAC has final determination of the adequacy of performance and reporting by Contractor. Termination of this agreement for failure to perform may affect Contractor's ability to participate in future opportunities with H-GAC. The Contractor's failure to timely submit any report may also be considered cause for termination of this Agreement.

Any additional reporting requirements shall be set forth in the Special Provisions of this Agreement.

ARTICLE 9: INSURANCE

Contractor shall maintain insurance coverage for work performed or services rendered under this Agreement as outlined and defined in the attached Special Provisions.

ARTICLE 10: SUBCONTRACTS and ASSIGNMENTS

Except as may be set forth in the Special Provisions, the Contractor agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Agreement or any right, title, obligation or interest it may have therein to any third party without prior written approval of H-GAC. The Contractor acknowledges that H-GAC is not liable to any subcontractor or assignee of the Contractor. The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Agreement as if the performance rendered was rendered by the Contractor. Contractor shall give all required notices, and comply with all laws and regulations applicable to furnishing and performance of the work. Except where otherwise expressly required by applicable law or regulation, H-GAC shall not be responsible for monitoring Contractor's compliance, or that of Contractor's subcontractors, with any laws or regulations.

ARTICLE 11: AUDIT

Notwithstanding any other audit requirement, H-GAC reserves the right to conduct or cause to be conducted an independent audit of any transaction under this Agreement, such audit may be performed by the H-GAC local government audit staff, a certified public accountant firm, or other auditors designated by H-GAC and will be conducted in accordance with applicable professional standards and practices. The Contractor understands and agrees that the Contractor shall be liable to the H-GAC for any findings that result in monetary obligations to H-GAC.

ARTICLE 12: EXAMINATION OF RECORDS

The Contractor shall maintain during the course of the work complete and accurate records of all of the Contractor's costs and documentation of items which are chargeable to H-GAC under this Agreement. H-GAC, through its staff or designated public accounting firm, the State of Texas, and United States Government, shall have the right at any reasonable time to inspect, copy and audit those records on or

off the premises by authorized representatives of its own or any public accounting firm selected by H-GAC. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. Failure to provide access to records may be cause for termination of the Agreement. The records to be thus maintained and retained by the Contractor shall include (without limitation): (1) personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of the Contractor's employees working full or part time on the work, as well as cancelled payroll checks, signed receipts for payroll payments in cash, or other evidence of disbursement of payroll payments; (2) invoices for purchases, receiving and issuing documents, and all other unit inventory records for the Contractor's stocks or capital items; and (3) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges.

The Contractor further agrees that the examination of records outlined in this article shall be included in all subcontractor or third-party agreements.

ARTICLE 13: RETENTION OF RECORDS

The Contractor and its subcontractors shall maintain all records pertinent to this Agreement, and all other financial, statistical, property, participant records, and supporting documentation for a period of no less than seven (7) years from the later of the date of acceptance of the final payment or until all audit findings have been resolved. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the seven (7) years, whichever is later, and until any outstanding litigation, audit, or claim has been fully resolved.

ARTICLE 14: CHANGES AND AMENDMENTS

- A. Any alterations, additions, or deletions to the terms of this Agreement, which are required by changes in federal or state law or by regulations, are automatically incorporated without written amendment hereto, and shall become effective on the date designated by such law or by regulation.
- B. To ensure the legal and effective performance of this Agreement, both parties agree that any amendment that affects the performance under this Agreement must be mutually agreed upon and that all such amendments must be in writing. After a period of no less than 30 days subsequent to written notice, unless sooner implementation is required by law, such amendments shall have the effect of qualifying the terms of this Agreement and shall be binding upon the parties as if written herein.

ARTICLE 15: TERMINATION PROCEDURES

The Contractor acknowledges that this Agreement may be terminated for Convenience or Default.

- A. *Convenience*
H-GAC may terminate this Agreement at any time, in whole or in part, with or without cause, whenever H-GAC determines that for any reason such termination is in the best interest of H-GAC, by providing written notice by certified mail to the Contractor. Upon receipt of notice of termination, all services hereunder of the Contractor and its employees and subcontractors shall cease to the extent specified in the notice of termination.

The Contractor may cancel or terminate this Agreement upon submission of thirty (30) days written notice, presented to H-GAC via certified mail. The Contractor may not give notice of cancellation after it has received notice of default from H-GAC.

- B. *Default*

H-GAC may, by written notice of default to the Contractor, terminate the whole or any part of the Agreement, in any one of the following circumstances:

- (1) If the Contractor fails to perform the services herein specified within the time specified herein or any extension thereof; or
- (2) If the Contractor fails to perform any of the other provisions of this Agreement for any reason whatsoever, or so fails to make progress or otherwise violates the Agreements that completion of services herein specified within the Agreement term is significantly endangered, and in either of these two instances does not cure such failure within a period often (10) days (or such longer period of time as may be authorized by H-GAC in writing) after receiving written notice by certified mail of default from H-GAC.

ARTICLE 16: SEVERABILITY

H-GAC and Contractor agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 17: FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 18: CONFLICT OF INTEREST

No officer, member or employee of the Contractor or subcontractor, no member of the governing body of the Contractor, and no other public officials of the Contractor who exercise any functions or responsibilities in the review or Contractor approval of this Agreement, shall participate in any decision relating to this Agreement which affects his or her personal interest, or shall have any personal or pecuniary interest, direct or indirect, in this Agreement.

ARTICLE 19: FEDERAL COMPLIANCE

Contractor agrees to comply with all federal statutes relating to nondiscrimination, labor standards, and environmental compliance. Additionally, for work to be performed under the Agreement or subcontract thereof, including procurement of materials or leases of equipment, Contractor shall notify each potential subcontractor or supplier of the Contractor's federal compliance obligations. These may include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) the Fair Labor Standards Act of 1938 (29 USC 676 et. seq.), (d) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990; (e) the Age Discrimination in Employment Act of 1967 (29 USC 621 et. seq.) and the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (h) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (j) any other nondiscrimination provisions in any specific statute(s)

applicable to any Federal funding for this Agreement; (k) the requirements of any other nondiscrimination statute(s) which may apply to this Agreement; (l) applicable provisions of the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 et seq.), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and the Environmental Protection Agency regulations at 40 CFR Part 15; (m) applicable provisions of the Davis- Bacon Act (40 U.S.C. 276a - 276a-7), the Copeland Act (40 U.S.C. 276c), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332), as set forth in Department of Labor Regulations at 20 CFR 5.5a; (n) the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

ARTICLE 20: CRIMINAL PROVISIONS AND SANCTIONS

The Contractor agrees to perform the Agreement in conformance with safeguards against fraud and abuse as set forth by the H-GAC, the State of Texas, and the acts and regulations of any related state or federal agency. The Contractor agrees to promptly notify H-GAC of any actual or suspected fraud, abuse, or other criminal activity through the filing of a written report within twenty-four (24) hours of knowledge thereof. Contractor shall notify H-GAC of any accident or incident requiring medical attention arising from its activities under this Agreement within twenty-four (24) hours of such occurrence. Theft or willful damage to property on loan to the Contractor from H-GAC, if any, shall be reported to local law enforcement agencies and H-GAC within two (2) hours of discovery of any such act.

The Contractor further agrees to cooperate fully with H-GAC, local law enforcement agencies, the State of Texas, the Federal Bureau of Investigation and any other duly authorized investigative unit, in carrying out a full investigation of all such incidents.

The Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against the Contractor pertaining to this Agreement or which would adversely affect the Contractor's ability to perform services under this Agreement.

ARTICLE 21: INDEMNIFICATION AND RECOVERY

H-GAC's liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgements, and liens arising as a result of Contractor's negligent act or omission under this Agreement. Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against Contractor relating to this Agreement.

ARTICLE 22: LIMITATION OF CONTRACTOR'S LIABILITY

Except as specified in any separate writing between the Contractor and an END USER, Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC, is limited to the price of the particular products/services sold hereunder, and Contractor agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will Contractor be liable for any loss of use, loss of time, inconvenience, commercial loss, loss of profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor understands and agrees that it shall be liable to repay and shall repay upon demand to

END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Agreement.

ARTICLE 23: TITLES NOT RESTRICTIVE

The titles assigned to the various Articles of this Agreement are for convenience only. Titles shall not be considered restrictive of the subject matter of any Article, or part of this Agreement.

ARTICLE 24: JOINT WORK PRODUCT

This Agreement is the joint work product of H-GAC and the Contractor. This Agreement has been negotiated by H-GAC and the Contractor and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against any party.

ARTICLE 25: DISPUTES

All disputes concerning questions of fact or of law arising under this Agreement, which are not addressed within the Whole Agreement as defined pursuant to Article 4 hereof, shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to the Contractor. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, the Contractor requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. The Contractor may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with H-GAC's final decision.

ARTICLE 26: CHOICE OF LAW: VENUE

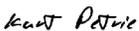
This Agreement shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas. Disputes between END USER and Contractor are to be resolved in accordance with the law and venue rules of the state of purchase. Contractor shall immediately notify H-GAC of such disputes.

ARTICLE 27: ORDER OF PRIORITY

In the case of any conflict between or within this Agreement, the following order of priority shall be utilized: 1) General Provisions, 2) Special Provisions, 3) Scope of Work, and, 4) Other Attachments.

SIGNATURES:

H-GAC and the Contractor have read, agreed, and executed the whole Agreement as of the date first written above, as accepted by:

LDV, Inc.
DocuSigned by:
Signature 
CC090D9EA759487...
Name Kurt Petrie
Title President
Date 10/23/2020

H-GAC
DocuSigned by:
Signature 
82EC270D5D61423...
Name Chuck Wemple
Title Executive Director
Date 10/29/2020

H-GAC

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement - LDV, Inc. - Public Services - 20-01128

SPECIAL PROVISIONS

Incorporated by attachment, as part of the whole agreement, H-GAC and the Contractor do, hereby agree to the Special Provisions as follows:

ARTICLE 1: BIDS/PROPOSALS INCORPORATED

In addition to the whole Agreement, the following documents listed in order of priority are incorporated into the Agreement by reference: Bid/Proposal Specifications and Contractor's Response to the Bid/Proposal.

ARTICLE 2: END USER AGREEMENTS ("EUA")

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement ("EUA") with the **Contractor** through this Agreement, and that the term of the EUA may exceed the term of the current **H-GAC** Agreement. **H-GAC's** acknowledgement is not an endorsement or approval of the End User Agreement's terms and conditions. **Contractor** agrees not to offer, agree to or accept from the **END USER**, any terms or conditions that conflict with those in **Contractor's** Agreement with **H-GAC**. **Contractor** affirms that termination of its Agreement with **H-GAC** for any reason shall not result in the termination of any underlying EUA, which shall in each instance, continue pursuant to the EUA's stated terms and duration. Pursuant to the terms of this Agreement, termination of this Agreement will disallow the **Contractor** from entering into any new EUA with **END USERS**. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any EUAs, surviving termination of this Agreement between **H-GAC** and **Contractor**.

ARTICLE 3: MOST FAVORED CUSTOMER CLAUSE

Contractor shall provide its most favorable pricing and terms to **H-GAC**. If at any time during this Agreement, **Contractor** develops a regularly followed standard procedure of entering into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **Contractor** shall notify **H-GAC** within ten (10) business days thereafter, and this Agreement shall be deemed to be automatically retroactively amended, to the effective date of **Contractor's** most favorable past agreement with another entity. **Contractor** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER** as provided in its most favorable past agreement. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **Contractor** claims that a more favorable price, warranty, benefit, or term that was charged or offered to another entity during the term of this Agreement, does not constitute more favorable treatment, than **Contractor** shall, within ten (10) business days, notify **H-GAC** in writing, setting forth the detailed reasons **Contractor** believes the aforesaid offer is not in fact most favored treatment. **H-GAC**, after due consideration of **Contractor's** written explanation, may decline to accept such explanation and thereupon this Agreement between **H-GAC** and **Contractor** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties,

benefits, or terms to H-GAC and the END USER.

EXCEPTION: *This clause shall not be applicable to prices and price adjustments offered by a bidder, Proposer or contractor, which are not within bidder's/proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.*

ARTICLE 4: PARTY LIABILITY

Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to the price of the particular products/services sold hereunder. Contractor agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. Contractor accepts liability to repay, and shall repay upon demand to END USER, any amounts determined by H-GAC, its independent auditors, or any state or federal agency, to have been paid in violation of the terms of this Agreement.

ARTICLE 5: GOVERNING LAW & VENUE

Contractor and H-GAC agree that Contractor will make every reasonable effort to resolve disputes with the END USER in accord with the law and venue rules of the state of purchase. **Contractor** shall immediately notify **H-GAC** of such disputes.

ARTICLE 6: SALES AND ORDER PROCESSING CHARGE

Contractor shall sell its products to **END USERS** based on the pricing and terms of this Agreement. **H-GAC** will invoice **Contractor** for the applicable order processing charge when H-GAC receives notification of an END USER order. **Contractor shall remit to H-GAC** the full amount of the applicable order processing charge, after delivery of any product or service and subsequent END USER acceptance. Payment of the Order Processing Charge shall be remitted from Contractor to H-GAC, within thirty (30) calendar days or ten (10) business days after receipt of an END USER's payment, whichever comes first, notwithstanding Contractor's receipt of invoice. For sales made by **Contractor** based on this Agreement, including sales to entities without Interlocal Agreements, **Contractor** shall pay the applicable order processing charges to **H-GAC**. Further, **Contractor** agrees to encourage entities who are not members of H-GAC's Cooperative Purchasing Program to execute an **H-GAC** Interlocal Agreement. **H-GAC** reserves the right to take appropriate actions including, but not limited to, Agreement termination if **Contractor** fails to promptly remit the appropriate order processing charge to H-GAC. In no event shall **H-GAC** have any liability to **Contractor** for any goods or services an **END USER** procures from **Contractor**. At all times, **Contractor** shall remain liable to pay to **H-GAC** any order processing charges on any portion of the Agreement actually performed, and for which compensation was received by **Contractor**.

ARTICLE 7: LIQUIDATED DAMAGES

Contractor and H-GAC agree that Contractor shall cooperate with the END USER at the time an END USER purchase order is placed, to determine terms for any liquidated damages.

ARTICLE 8: INSURANCE

Unless otherwise stipulated in Section B of the Bid/Proposal Specifications, **Contractor** must have the following insurance and coverage minimums:

- a. **General liability** insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General

Aggregate limit of at least two times the Single Occurrence limit.

Product liability insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General Aggregate limit of at least two times the Single Occurrence limit for all Products except Automotive Fire Apparatus. For Automotive Fire Apparatus, see Section B of the Bid/Proposal Specifications.

Property Damage or Destruction insurance is required for coverage of **End User** owned equipment while in **Contractor's** possession, custody or control. The minimum Single Occurrence limit is \$500,000.00 and the General Aggregate limit must be at least two times the Single Occurrence limit. This insurance may be carried in several ways, e.g. under an Inland Marine policy, as art of Automobile coverage, or under a Garage Keepers policy. In any event, this coverage must be specifically and clearly listed on insurance certificate(s) submitted to **H-GAC**.

- b. Insurance coverage shall be in effect for the length of any contract made pursuant to the Bid/Proposal, and for any extensions thereof, plus the number of days/months required to *deliver* any outstanding order after the close of the contract period.
- c. Original Insurance Certificates must be furnished to **H-GAC** on request, showing **Contractor** as the insured and showing coverage and limits for the insurances listed above.
- d. If any Product(s) or Service(s) will be provided by parties other than **Contractor**, all such parties are required to carry the minimum insurance coverages specified herein, and if requested by **H-GAC**, a separate insurance certificate must be submitted for each such party.
- e. **H-GAC** reserves the right to contact insurance underwriters to confirm policy and certificate issuance and document accuracy.

ARTICLE 9: PERFORMANCE AND PAYMENT BONDS FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB); therefore, Contractor shall offer pricing that reflects this cost savings. **Contractor** shall remain prepared to offer a PPB to cover any order if so requested by the **END USER**. **Contractor** shall quote a price to **END USER** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **END USER's** purchase order.

ARTICLE 10: CHANGE OF STATUS

Contractor shall immediately notify **H-GAC**, in writing, of **ANY** change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name. Contractor shall offer written guidance to advise H-GAC if this Agreement shall be affected in any way by such change. **H-GAC** shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Agreement.

ARTICLE 11: TEXAS MOTOR VEHICLE BOARD LICENSING

All that deal in motor vehicles shall maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Agreement term, any required **Contractor** license is denied, revoked, or not renewed, **Contractor** shall be in default of this Agreement, unless the Texas Motor Vehicle

Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to **H-GAC** upon request.

Attachment A		
LDV, Inc.		
Ambulances, EMS & Other Special Service Vehicles		
Contract No.: AM10-20		
M. LDV		
These units can only be sold outside Texas		
C. Other Specialty Vehicle or Equipment		
AM20MC01	SS23EEQ-CC, 23' Equipment/EOD/SWAT/DIVE/MCC Vehicle on a 14,500lb GVWR cutaway van gas chassis with a 13' load space.	\$ 105,101.00
AM20MC02	SS23RDV-CC, 23' Rapid Deployment Vehicle on a 14,500lb GVWR cutaway van gas chassis with a 13' load space.	\$ 76,453.00
AM20MC03	SS28EEQ-SV, 28' Equipment/EOD/SWAT/DIVE/MCC Vehicle on a Freightliner MT-55 26,000-lb. GVWR diesel chassis with spring rear suspension hydraulic brakes and a 20' load space stepvan	\$ 192,027.00
AM20MC04	SS34FC-SV, 34' Mobile Command Center on a Freightliner MT-55 26,000-lb GVWR diesel chassis with Air Ride Suspension Hydraulic Brakes and a 24' load space stepvan	\$ 274,572.00
AM20MC05	SS36FC-SV, 36' Mobile Command Center on a Freightliner MT-55 26,000-lb GVWR diesel chassis with Air Ride Suspension Hydraulic Brakes and a 26' load space stepvan.	\$ 303,942.00
AM20MC06	SS40FC1S-CC, 40' Mobile Command Center with 1 slideout on a 33,000-lb. GVWR diesel cab-chassis with air ride suspension air brakes and a 30' load space.	\$ 467,908.00
AM20MC07	SS40FC1S-SV, 40' Mobile Command Center with 1 slideout on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension air brakes and a 30' load space stepvan.	\$ 393,218.00
AM20MC08	SS40FC-SV, 40' Mobile Command Center on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension air brakes and a 30' load space stepvan.	\$ 334,045.00
AM20MC09	SS40RC1S-SV, 40' Mobile Command Center with 1 slideout on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension air brakes and a 30' load space stepvan.	\$ 392,849.00
AM20MC10	C28MED18, 28' 1 Room Mobile Clinic on a 4x2 19,500-lb. GVWR gas chassis with spring suspension hydraulic brakes and a 20' load space.	\$ 140,408.00
AM20MC11	C34MED24, 34' 1 Room Mobile Clinic on a 25,999-lb. GVWR gas chassis with spring suspension hydraulic brakes and a 24' load space.	\$ 186,831.00
AM20MC12	S32MED22, 32' 2 Room Mobile Clinic on a 22,000-lb GVWR gas chassis with spring suspension hydraulic brakes and a 22' load space stepvan.	\$ 186,196.00
AM20MC13	MCC302990, 28' Mobile Command Center on a 11,440-lb. GVWR tandem axle trailer.	\$ 85,119.00
AM20MC14	T35MCC32, 35' Mobile Command Center with 1 slideout on a 19,800-lb GVWR triple axle trailer.	\$ 350,072.00
AM20MC15	MCC302200 40' Mobile Command Center on a 54,000 lb GVWR diesel cab-chassis with a 29.5' all aluminum body and two slide outs.	\$ 860,153.00
AM20MC16	SS24RC-CC 24' Mobile Command Center on a 14,500 lb GVWR gas cutaway van with 14' load space body.	\$ 150,982.00
AM20MC17	C22EEQ-33732 22' Equipment Vehicle on a 19,500 lb GVWR diesel crew cab chassis with 12' custom storage body.	\$ 283,882.00

AM20MC18	M45EWC38121712 45' Mobile Command Vehicle on a Class A motorhome shell with 52,000 lb diesel chassis and four slide outs.	\$ 1,127,291.00
-----------------	---	-----------------



COOPERATIVE PURCHASING PROGRAM
 Houston-Galveston Area Council of Governments
 3555 Timmons, Suite 120, Houston, TX 77027
 Phone: 800-926-0234 Fax: 713-993-4548
www.hgacbuy.org

INVITATION TO SUBMIT COMPETITIVE:

BIDS

PROPOSALS

INVITATION No.: **AM10-20**

ISSUE DATE: **April 2, 2020**

CATEGORY: **AMBULANCES, EMS & OTHER SPECIAL SERVICE VEHICLES**

PURPOSE OF THIS INVITATION

The Cooperative Purchasing Program (HGACBuy) of the Houston-Galveston Area Council of Governments is soliciting offerings for the furnishing of products/services as described herein. These products/services may be purchased by any of more than 8000 local government members, districts, and agencies in 49 states.

Note: Responses will be accepted by online electronic submission only. Responses are scheduled to be "Opened By HGAC" on the date and time indicated.

Go to the following address and click on the corresponding link:

<https://www.hgacbuy.org/bid-notice>

PROCUREMENT SCHEDULE & DETAILS

DRAFT SPECIFICATION / INVITATION:	February 13, 2020
PRE-BID/PROPOSAL CONFERENCE:	March 12, 2020 @ 9:00 a.m. CT, Conference Room A, 2nd floor
FINAL SPECIFICATION / INVITATION:	April 2, 2020
BID/PROPOSAL RESPONSES DUE:	May 7, 2020 @ 1:00 p.m. CT; H-GAC Clock
PUBLIC RESPONSE OPENING:	May 7, 2020 @ 2:00 p.m. CT; H-GAC Clock
RECOMMENDATIONS TO BOARD:	August 18, 2020
CONTRACT START DATE & TERM:	October 1, 2020 thru September 30, 2022
The documents comprising this Invitation are available via web download at: https://www.hgacbuy.org/bids/	
For assistance regarding this Invitation, please contact: Name: Jackie Palmer Phone: 713-993-2466 E-mail: jpalmer@h-gac.com	

CONTENTS OF THIS INVITATION

SECTION-A: General Terms & Conditions

SECTION-B: Product/Service Specific Requirements & Specifications

SECTION-C: HGACBuy *Forms*

SECTION-D: Pro-Forma (Sample) Contract

FORMS: W-9, CIQ, 1295, HB89, CIF

ELECTRONIC SUBMISSION

IMPORTANT:

Responses will be accepted by online electronic submission only. There will be two (2) links provided in the solicitation documents detailing the following:

- How to submit your bid electronically
- Instructions on uploading your bid

These links can be downloaded from HGACBuy's website, <https://www.hgacbuy.org/bid-notices>



SECTION A
GENERAL TERMS & CONDITIONS
FOR BIDS AND PROPOSALS

INVITATION NO. AM10-20

DESCRIPTION: Ambulances, EMS & Other Special Service Vehicles

TABLE OF CONTENTS

1. INTRODUCTION	2
2. DEFINITIONS, ABBREVIATIONS & ACRONYMS	2
3. NON-BINDING ORAL COMMENTS	4
4. STRUCTURE OF RESPONSE	4
5. BASIC REQUIREMENTS & CONDITIONS	4
6. OFFEROR'S AUTHORIZED SIGNATORY	5
7. SURETY FOR INSURANCE	5
8. CONFIDENTIAL / PROPRIETARY MATERIALS	6
9. REFERENCES	6
10. INSURANCE	6
11. OFFEROR CERTIFICATIONS	6
12. HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PARTICIPATION	7
13. NON-RESIDENT RECIPROCAL SALES ACT	7
14. TEXAS MOTOR VEHICLE COMMISSION CODE & LICENSING	8
15. INTENT AND SCOPE OF SPECIFICATIONS	8
16. REQUIREMENTS APPLICABLE TO PHYSICAL GOODS	8
17. PRODUCT CODES	8
18. SPECIFIC DESCRIPTIVE REFERENCES	9
19. MANUALS	9
20. STANDARD FEATURES & OPTIONS	9
21. WARRANTIES, SALES & SERVICE	10
22. H-GAC ORDER PROCESSING CHARGE	10
23. PRE-PAYMENTS AND DISCOUNTS	10
24. INSPECTION / TESTING	11
25. PRODUCT DELIVERY	11
26. OFFERED PRODUCT ITEM VARIANCES	11
27. REQUIREMENTS FOR SUBMISSION OF A RESPONSE	11
28. CLARIFICATION TO SPECIFICATIONS & REQUIREMENTS	13
29. INCONSISTENT INFORMATION	13
30. REJECTION OF RESPONSES	13
31. WITHDRAWAL OR MODIFICATION OF RESPONSES	14
32. RESPONSE EVALUATION	14
33. ORDER OF PRECEDENCE PRIOR TO CONTRACT AWARD	14
34. AWARD OF CONTRACT	14
35. PRO-FORMA CONTRACT	14
36. CONTRACT TERM	14
37. PERFORMANCE & PAYMENT BOND	15

38.	CHANGE ORDERS.....	15
39.	DUPLICATION OF TERMS OR STATEMENTS.....	15
40.	PUBLICITY	15
41.	TAXES	15
42.	DRUG FREE WORKPLACE	15
43.	PRODUCT NOTICES & MAILINGS	15
44.	HANDLING OF ORDERS & PAYMENTS.....	15
45.	PRICE CHANGES.....	16
46.	CONTRACT ITEM CHANGES	17
47.	FORCE MAJEURE.....	17
48.	PERFORMANCE UNDER CONTRACT	17
49.	IMPLEMENTATION OF INTERNET BASED E-COMMERCE	18
50.	CONTRACTOR ORIENTATION/TRAINING.....	18
51.	LEGAL & CONTRACTUAL REMEDIES	18
52.	NATIONWIDE SALES OPPORTUNITIES.....	19

1. INTRODUCTION

The Houston-Galveston Area Council (**H-GAC**) is a "Government-to-Government" procurement service for States, State Agencies, Local Governments, Districts, Authorities, and qualifying Not-for-Profit Corporations (**End Users**). End Users become **Members** of the **H-GAC** Cooperative Purchasing Program (**HGACBuy**) by executing an Interlocal Contract, which is free of cost and evergreen unless cancelled. **HGACBuy**, acting on behalf of **Members**, is soliciting competitive offerings for the furnishing of products and/or services, as described elsewhere, which MAY be purchased by **Members** during the contract term. **Members** using the Program issue purchase orders directly to **HGACBuy** contractors.

2. DEFINITIONS, ABBREVIATIONS & ACRONYMS

The following definitions, abbreviations and acronyms may be found in these specifications, and shall be interpreted herein as specified below.

Definitions and Abbreviations:

Acceptance. Acceptance takes place when the **End User** agrees with the **Contractor** that the terms and conditions of the contract have been met and verified. Acceptance is not the same as Receipt, and can only occur after intact shipping, inspection by **End User**, and any onsite testing that has been stipulated as part of the order

Aggregate/Single Occurrence. The term "*aggregate*" in insurance terms is the sum of all claims against a specific policy for a specific loss incident. The term "*single occurrence*" differentiates between multiple claims and single claims against a specific policy. The inherent value of a policy's aggregate value is less important to an **End User** than is the value of a single claim as stated under "*single occurrence*."

Approved. Acceptable to the "authority having jurisdiction."

ARO. "After Receipt of Order". Used in conjunction with a defined time period (usually days or weeks) to establish the delivery or lead time pursuant to any individual purchase transaction. In the case of orders for bodies which will be mounted on a customer furnished cab/chassis, the term ARO shall be construed to mean "After Receipt Of Cab/Chassis".

Authority Having Jurisdiction. The authority shall be either **H-GAC** or the relevant **End User** based on the requirements as stated in each specification item. Unless specifically stated, the authority shall be **H-GAC**.

Bidder. Any entity that submits a competitive bid to this Invitation. (See also "**Offeror**")

Change Order. Request by an **End User** for a change in the composition of an already submitted purchase order, for example to change quantity ordered, add or delete items, etc.

Contract. Specifically, a contract between **H-GAC** and a successful **Offeror** which is executed based on an award made pursuant this Invitation.

Contract Pricing Worksheet. The standard **H-GAC** form to be used by **Contractor** in preparing a quotation to an End User, upon which End User's purchase order will be based. **Contractor** may use another quotation form provided it contains required information, and only if approved by **H-GAC**.

Contractor. The contracted business entity responsible for fulfilling a contract executed pursuant to this Invitation.

Dealer/Distributor. A duly authorized and/or franchised business entity which sells and services a manufacturer's product in a specified marketing area.

Defect. A discontinuity in a part or a failure to function that interferes with the service or reliability for which the part was intended.

Electronic Media. As used herein, means computer based media such as 100mb Zip Disk, CDROM, e-mail, e-mail attachment, file downloaded from the web, etc.

End User. (See "**Participant**" and "**Member**")

Listed. Equipment or materials included in a list published by an organization, acceptable to the "Authority Having Jurisdiction" and concerned with product evaluation, that conducts periodic inspection of production of listed equipment or materials and whose listing states either that the equipment or materials meet appropriate standards or has been tested and found suitable for use in a specified manner. NOTE: The means for identifying listed equipment may vary for each organization concerned with product evaluation, some of which do not recognize equipment as listed unless it is also labeled. The "authority having jurisdiction" should utilize the system employed by the listing organization to identify a listed product.

Manufacturer. The person or persons, company firm, corporation, partnership, or other organization responsible for taking raw materials or components and making a finished product.

May. A term indicating a permissive use or an acceptable alternative to a specified requirement.

Member. An authorized Participant in the Program. (See "**Participant**" and "**End User**")

Motor Vehicle. The meaning of this term shall be based on the legal definition ascribed to it by the laws and/or regulations of the state in which any specific sale made pursuant to a Contract takes place.

Must. A term indicating a mandatory requirement.

Offer or Offering. Any product or service offered in reply to this Invitation.

Offeror. Any entity that submits a competitive bid or proposal in response to this Invitation. Bidder or Proposer.

Participant. Generally, any qualifying governmental or non-profit entity which has executed an Interlocal Contract for cooperative purchasing services with **H-GAC**.

Product Liability Insurance. Failure of Components and/or assembled equipment resulting in personal injury, disability or death and/or property damage is covered under the product liability insurance provisions.

Product or Product Item. Any of the specific goods, materials, equipment or service(s) specified in this Invitation. This term encompasses the base line item itself, and any and all accessories, options, modifications, ancillary services, assembly, testing, etc. that may be included in the delivered Product.

Proposer. Any entity that submits a competitive proposal in response to this Invitation. (See also "**Offeror**")

Purchaser. The **End User** having responsibility for the specification, requisition, ordering and acceptance of the Product or Service. (See also "**End User**")

Purchasing Authority. The agency that has sole responsibility and authority for negotiating, placing and, if necessary, modifying any solicitation, purchase order, or other award issued by a governing body [**H-GAC**].

Quotation. See "Contract Pricing Worksheet".

Receipt. Receipt takes place when a Product or Service is delivered to an **End User** and a document is executed that establishes that the Product is now in the possession of the **End User** or that the Service has been completed. Receipt DOES NOT connote or imply Acceptance.

Response. All or part of any offering submitted in response to this Invitation.

Shall. A term indicating a mandatory requirement or action.

Should. A term indicating a recommended or advised response to a specified requirement.

Vendor. A manufacturer's representative or dealer authorized to make sales and supply parts and service.

Acronyms:

ANSI = **A**merican **N**ational **S**tandards **I**nstitute

ASTM = **A**merican **S**ociety for **T**esting and **M**aterials

ASME = **A**merican **S**ociety of **M**echanical **E**ngineers

CFR = U.S. **C**ode of **F**ederal **R**egulations

DOJ = U.S. **D**epartment **O**f **J**ustice

DOT = U.S. **D**epartment **O**f **T**ransportation

EPA = U.S. Environmental Protection Agency
 FAA = Federal Aviation Administration
 FMVSS = U.S. Federal Motor Vehicle Safety Standards
 H-GAC = Houston-Galveston Area Council of Governments
 IEEE = Institute of Electrical and Electronics Engineers
 MVD = Motor Vehicle Division of Texas Department of Transportation
 NFPA = National Fire Protection Association
 NHTSA = National Highway Traffic Safety Administration
 NIOSH = National Institute For Occupational Safety And Health
 NIST = National Institute of Standards and Technology
 NTEA = National Truck Equipment Association
 OSHA = U.S. Occupational Safety and Health Administration
 RRC = Railroad Commission of Texas
 SAE = Society of Automotive Engineers
 TBPC = Texas Building and Procurement Commission (formerly GSC)
 TxDOT = Texas Department Of Transportation
 UL = Underwriter's Laboratories Inc.
 VTCS = Vernon's Texas Civil Statutes

3. NON-BINDING ORAL COMMENTS

No oral comment, utterance or response made by any employee, member, or agent of **H-GAC** or any Member of the Cooperative Purchasing Program shall be considered factual or binding with regard to this Invitation, or any contract awarded as a result of this Invitation. Valid and binding terms, conditions, provisions, changes or clarifications, or requests thereof, shall ONLY be communicated written form.

4. STRUCTURE OF RESPONSE

Depending on the Product or Service, market structures and sales practices can differ substantially. For example, dealers may sell into any market or may be restricted to certain territories, manufacturers may sell direct or may be limited by law to selling thru independent dealerships, etc. **H-GAC's** objective is to ensure that **End Users**, no matter where located, can buy contracted products/services and receive quality and timely service and support, while at the same time allowing for the most appropriate and effective response to this Invitation. Therefore, responses to this Invitation will be accepted in conformance with the following scenarios and requirements:

A. Single Respondent Acting Alone Or As "Lead" For A Group:

Offeror shall complete and sign a **Form A** and, if contracted, shall be solely responsible for all contractual requirements including administration, processing of purchase orders and handling of payments for transactions which may involve other dealers who actually deliver the products or services.

B. Multiple Respondents Acting Jointly:

A single Response shall be submitted, and each party to the Response shall complete and sign a separate **Form A** to be included in the single Response. If the Response is successful each party shall sign a separate contract with **H-GAC** and shall be responsible for compliance with all terms and conditions. Only those which have executed a written contract with **H-GAC** may process purchase orders and payments.

In any event, Offeror may be a party to one, and only one, response.

5. BASIC REQUIREMENTS & CONDITIONS

- a. The final requirements and specifications contained herein may be different, perhaps materially, from those in the "Invitation To Attend Pre-Bid / Pre-Proposal Conference", if any. It is **Offeror's** sole responsibility to thoroughly examine and review all documentation associated with this Invitation, including any Addendums, and to insure that any response submitted complies in every respect with all requirements.
- b. Any Addendum to this Invitation which may be required prior to the Response due date will be delivered to those prospective Offerors of record who have previously obtained a copy of this Invitation from **H-GAC**. Prospective Offerors shall be responsible for obtaining all documents relating to submission of a Response.
- c. **Offeror** shall thoroughly examine any drawings, specifications, schedules, instructions and any other documents, supplied as a part of this Invitation, and is solely responsible for understanding and compliance.

- d. **H-GAC** shall not be liable for **Offeror's** incomplete documentation, or for any costs associated with preparation and submission of any Response hereto. Additionally, all components of any Response become the property of **H-GAC**, and shall be considered to be in the public domain.
- e. **Offeror** shall make all investigations necessary to become thoroughly informed regarding any plan and/or infrastructure that may be required to support delivery of any Product or Service covered by this Invitation. No plea of ignorance by **Offeror** stemming from failure to investigate conditions that may now or hereafter exist, shall be accepted as a basis for varying **H-GAC's** requirements, or **Offeror's/Contractor's** obligations or entitlements.
- f. Requests for changes to the requirements or specifications herein must be in writing (e-mail, fax, letter) and must be received by **H-GAC** no later than fifteen (15) calendar days prior to the Response Due Date. **H-GAC** will review such requests, but may or may not make changes at its sole discretion. Changes, if any, will only be made by written Addendum sent to addressees of record. In any event, it is **Offeror's** sole responsibility to insure that any and all Addendums which may have been issued have been received and addressed.
- g. By submission of a response, **Offeror** expressly understands and agrees that all terms and conditions herein will be part of any subsequent contract that is executed pursuant to this Invitation.
- h. **Offeror** is advised that all **H-GAC** contracts are subject to the legal requirements established in any applicable Local, State or Federal statute.
- i. **Offeror/Contractor** must be in compliance with all licensing, permitting, registration and other applicable legal or regulatory requirements imposed by any governmental authority having jurisdiction. It is **Offeror/Contractor's** responsibility to insure that this requirement is met, and to supply to **H-GAC** upon request, copies of any license, permit or other documentation bearing on such compliance.
- j. Unless otherwise established elsewhere in this Invitation, NO minimum purchase quantities or spending levels are provided or guaranteed by **H-GAC** or any **End User**.
- k. This Invitation is not meant to restrict competition, but rather is intended to allow for a wide range of responses.
- l. Responses which are 'qualified' with conditional clauses or alterations of or exceptions to any of the terms and conditions in this Invitation may be deemed non-compliant at **H-GAC's** sole discretion.
- m. The term '**Offeror**', or derivative thereof, shall become synonymous with '**Contractor**' for any successful **Offeror** recommended for a contract pursuant to this Invitation.
- n. **H-GAC** reserves the right to:
 - Reject any and all offers received in response to this Invitation.
 - Reject any part of an offer received in response to this Invitation.
 - Determine the correct price and/or terminology in the event of any discrepancies in any response.
 - Accept a response from, and enter into agreement with, other than the lowest price **Offeror**.
 - Accept responses and award contracts to as many or as few **Offerors** as **H-GAC** may select.
 - Amend, waive, modify, or withdraw (in part or in whole) this Invitation, or any requirements herein.
 - Hold discussions with **Offerors**, although award may be made without discussion.
 - Request an **Offeror** to give a presentation of the Response at a time and place scheduled by **H-GAC**.
 - Exercise any of these rights at any time without liability to any **Offeror**.
- o. **H-GAC** reserves the right to determine that conditions exist which prevent the public opening of responses on the date and at the time advertised, and to reschedule the public opening for a future date and time. Responses received by **H-GAC** by the original deadline will be secured unopened until the rescheduled opening date and time, and those having timely submitted such responses will be notified.

6. OFFEROR'S AUTHORIZED SIGNATORY

The signatory shall be authorized to sign and contractually bind **Offeror**, and shall sign any and all Response documentation requiring a signature.

7. SURETY FOR INSURANCE

Contractor shall be responsible for using a surety company properly licensed by any and all states in which Contractor will do business with Participants. The surety company shall not expose itself to any loss on any one risk in an amount exceeding ten percent (10%) of its surplus to policy holders, provided any risk or portion of any risk shall have been reinsured, and such reinsurance shall be deducted in determining the limitation of risk applicable to **H-GAC's** insurance requirements.

8. CONFIDENTIAL / PROPRIETARY MATERIALS

All documentation submitted as part of **Offeror's** response to this Invitation will be considered to be in the public domain and may be made available to Members and others, after contract award, upon properly submitted request. If **Offeror** submits documents marked “confidential” or “proprietary”, the Response may be deemed non-compliant.

9. REFERENCES

- a. **Offeror** shall list the names of at least five government agencies within the continental United States which have purchased from **Offeror** products or services similar to those covered by this Invitation, within the last two years. **H-GAC** reserves the right to determine if such products or services are appropriately similar.
- b. **Offeror** may provide reference information in whatever format desired, but each should include the following specific information:
 - Agency name
 - Contact person name
 - Address
 - Phone & Fax numbers
 - Description of product(s) or service(s) and date sold
- c. Other information, including criticism however learned, may be used by **H-GAC** in evaluation of responses.

10. INSURANCE

- a. Unless otherwise stipulated in Section B, **Offeror/Contractor** must have the following insurance and coverage minimums:

General liability insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General Aggregate limit of at least two times the Single Occurrence limit.

Product liability insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General Aggregate limit of at least two times the Single Occurrence limit for all Products except Automotive Fire Apparatus. For Automotive Fire Apparatus, see Section B – Product Specific of this Invitation.

Property Damage or Destruction insurance is required for coverage of **End User** owned equipment while in **Contractor's** possession, custody or control. The minimum Single Occurrence limit is \$500,000.00 and the General Aggregate limit must be at least two times the Single Occurrence limit. This insurance may be carried in several ways, e.g. under an Inland Marine policy, as part of Automobile coverage, or under a Garage Keepers policy. In any event, this coverage must be specifically and clearly listed on insurance certificate(s) submitted to **H-GAC**.
- b. Insurance coverage shall be in effect for the length of any contract made pursuant to this Invitation, and for any extensions thereof, plus the number of days/months required to *deliver* any outstanding order after the close of the contract period.
- c. Original Insurance Certificates must be furnished to **H-GAC** on request, showing **Offeror/Contractor** as the insured and showing coverage and limits for the insurances listed above.
- d. If any Product(s) or Service(s) will be provided by parties other than **Offeror/Contractor**, all such parties are required to carry the minimum insurance coverages specified herein, and if requested by **H-GAC**, a separate insurance certificate must be submitted for each such party.
- e. **H-GAC** reserves the right to contact insurance underwriters to confirm policy and certificate issuance and document accuracy.

11. OFFEROR CERTIFICATIONS

Offeror, by submission of a Response hereto, makes the following certifications under penalty of perjury and possible contract termination if any of these certifications are found to be false.

Non-Collusive Response

- a. The prices in the Response have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other **Offeror** or potential competitor.

- b. The prices which have been quoted in the Response (unless otherwise required by law), have not been knowingly disclosed by **Offeror** and will not be knowingly disclosed by **Offeror** prior to the public response opening, either directly or indirectly, to any other **Offeror** or competitor.
- c. No attempt has been made or will be made by **Offeror** to induce any other person, partnership or corporation to submit or not to submit a response for the purpose of restricting competition.

Non-Biased Specifications

This Invitation contains no requirements considered to be unduly biased in favor of **Offeror** or any other **Offerors** that may be competing for this procurement.

No Financial Interest or Other Conflict

- a. No **H-GAC** officer, employee, Board of Directors member or member of any **H-GAC** board or commission, nor family member of any such person, has a financial interest, direct or indirect, in **Offeror** or in any contract **Offeror** might enter into with **H-GAC**.
- b. No economic or employment opportunity, gift, loan, gratuity, special discount, trip, favor or service has been, or will be, offered or given to any officer, employee, Board of Directors member, or member of any **H-GAC** board or commission, nor to any family member of any such person.

Debarment and Suspension Status

- a. **Offeror** is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any government agency, nor is **Offeror** an agent of any person or entity that is currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transaction by any government agency.
- b. **Offeror** has not within a three year period preceding this Invitation been convicted of or had a civil suit judgement rendered against **Offeror** for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property.
- c. **Offeror** is not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated above.
- d. Offeror has not, within a three year period preceding this Invitation, had any government (federal, state, or local) transactions terminated for cause or default.

Insurance Coverages

Offeror has and will maintain insurance coverage in accordance with the requirements of this Invitation.

Licensing & Permits

Offeror(s) has (have) all licenses and/or permits, required by any and all governmental entities having jurisdiction, to legally sell the products/services offered.

12. HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PARTICIPATION

- a. To satisfy Texas' statutory requirements [Government Code, Chapter 2161, Subchapter D], **H-GAC** requires all **Offerors** to supply information in any bid/proposal response listing (1) the total number of subcontracts and (2) the total number of HUB contracts applicable to the Products or Services offered in the response. Local governments often require this information for their own reporting requirements prior to placing orders through the **H-GAC** Cooperative Purchasing Program.
- b. **Offeror** must complete **Form B** and include subcontracts with HUB's that provide any materials or services related to sales that may be made thru **H-GAC's** Cooperative Purchasing Program.

13. NON-RESIDENT RECIPROCAL SALES ACT

As required by Texas Civil Statutes in the award of contracts, an offeror which is not a Texas resident business must determine if its state of residence prohibits award of government contracts to Texas resident offerors without penalty. If **Offeror's** resident state DOES penalize Texas offerors, **Offeror** must provide this information along with a copy of its applicable resident state's statute in the Response.

14. TEXAS MOTOR VEHICLE COMMISSION CODE & LICENSING

Sales of motor vehicles in the State of Texas are subject to the Texas Motor Vehicle Commission Code. If this Invitation includes any motor vehicle to be sold in the State of Texas, **Offeror** certifies by submission of a response hereto that all required Texas Motor Vehicle Commission licenses are in place and current, and that copies of all such licenses **have been submitted with the Response**. Further, it shall be **Contractor's** responsibility to keep current all required Texas Motor Vehicle Commission licensing during the term of the contract, and to furnish license copies at any time on request by **H-GAC**. If **Contractor** does not maintain current licensing, **H-GAC** reserves the right to immediately terminate the contract.

NOTE: In accordance with the Texas Motor Vehicle Commission Code, contracts for motor vehicles to be sold within the state of Texas may be made **ONLY** with properly licensed Texas Motor Vehicle Dealers. Therefore, to be considered for a contract covering Texas End Users, the Response must include a **Form A** from a licensed Texas Motor Vehicle Dealer

15. INTENT AND SCOPE OF SPECIFICATIONS

- a. The intent of the specifications herein is to provide **Offeror** with sufficient information concerning the Products/Services to be contracted such that **Offeror** can prepare and submit an acceptable Response.
- b. The specifications may be detailed or general in nature with regard to any particular Product/Service. Where not otherwise specified, details of construction, materials, or the way in which services will be provided, are left to the discretion of the **Offeror**, provided only that any offering shall conform, as a minimum, to best Industry standards and practices and to what is currently being sold in the marketplace.
- c. Responses shall be considered only from **Offerors** that have established good reputations in their markets, and who furnish satisfactory evidence of ability to supply the Products/Services specified herein.
- d. **Offeror** shall show proof of ability to provide to **End Users** prompt and competent service, including parts if applicable, for all Products/Services covered by this Invitation, by proper completion of a Service Organization Document as described elsewhere herein.

16. REQUIREMENTS APPLICABLE TO PHYSICAL GOODS

In the case of physical goods (e.g. equipment, material, supplies, as opposed to services), all Products offered must, unless otherwise stipulated in Section B:

- a. Be new, unused, and not refurbished.
- b. Not be a prototype insofar as the general design, operation and performance. This requirement is NOT meant to preclude **Offeror** from offering new models or configurations which incorporate improvements in a current design or add functionality, but which in such new model or configuration may be new to the marketplace.
- c. Include any and all accessories which may or may not be specifically mentioned herein, but which are normally furnished or which are necessary to make a delivered Product ready for its intended use. Such accessories shall be assembled, installed and adjusted such that the Product is ready for continuous operation at time of delivery.
- d. Have assemblies, sub-assemblies and component parts that are standard and interchangeable throughout the entire quantity of a particular Product as may be purchased simultaneously by any individual **End User**.
 - a. Be designed and constructed using current industry accepted engineering and safety practices, and materials.
 - b. Be available for inspection at any time prior to or after procurement.

17. PRODUCT CODES

Unless otherwise addressed in Section B of this Invitation, the following requirements shall apply:

- a. Each Product/Service offered shall be uniquely identified using an **H-GAC** Product Code, which shall be determined as described in Section B of this Invitation. **Offeror** shall offer **ONLY ONE** Product for any particular Product Code. For example, **Offeror** may wish to submit a bid for Product Code ABC and may have another offering that also meets the requirements for ABC. **Offeror** **MAY NOT** submit two offerings for ABC. The alternate offering that also meets the requirements for ABC must be offered as an option "upgrade/downgrade" to ABC on **Form E**.
- b. Pricing for optional upgrades or downgrades to base bid items should be quoted as an "adder" or "deduct" amount as appropriate, to be applied to the offered price of the base Product Item listed on **Form D**.
- c. Base bid items and their associated HGACBuy Product Codes are included in the Section B and/or on **Form D**.

- d. Selection of Product Codes for which to submit an offer is at **Offeror's** sole discretion.

18. SPECIFIC DESCRIPTIVE REFERENCES

Except for Base Product Items listed on Form D, any reference to a specific catalog, data sheet, form, brochure, model name or number, etc. used herein to describe an item such as an option or accessory is only descriptive and is not to be considered restrictive unless otherwise noted. Such references are normally used only to indicate a type, general description, level of quality and/or required performance standards.

19. MANUALS

Unless otherwise specified or superceded herein, each Product delivered under an **H-GAC** contract, and if applicable any options thereto, shall be supplied with at least one (1) copy of a safety and operating manual. The cost of any such manuals must be included in the base price for any Product Item offered hereunder. If more detailed and technically orientated parts and maintenance manuals are available for a Product or option, at a cost, they shall be offered as options on the *FORM* designated herein for such options, or elsewhere in the Response as may be directed herein.

20. STANDARD FEATURES & OPTIONS

The following requirements are applicable primarily to physical goods.

Standard Features

- a. The stated minimum requirements for all Products listed herein include what **H-GAC** considers to be "standard" features. Even though such features might normally be offered as options rather than as standard, they are nonetheless considered to be standard in this Invitation, and must be included in the base price for any Product offered. Such features **SHOULD NOT** be offered as options except as deducts for their omission from the base Product.
- b. If it is unclear in the Response that an **H-GAC** standard feature is included in the base price, it will be assumed that such is the case. If awarded a contract **Offeror** will be expected to sell the Product with all **H-GAC** specified standard features included in the base price.
- c. Any feature or accessory normally offered by manufacturer as "standard" shall be considered a standard feature and shall be included in the base price of any offering, even though not specifically listed as a requirement in **H-GAC's** specifications. Such features **SHOULD NOT** be offered as options except as deducts for their omission from the base Product.

Options - General

- a. Options are considered to be any features or accessories, other than **H-GAC's** and Manufacturer's "standard" features or accessories.
- b. Options should be offered on the *FORMS* designated for quoting options. Each option should be listed and described on a separate line, and should include any Manufacturer's/Dealer's code number. If no Manufacturer's/Dealer's code number exists, **Offeror** should create one.
- c. Prices for all offered options shall be assumed to include any installation or mounting required to make it a fully functional component of the Product, unless otherwise stated in **Offeror's** response.

Required Options

- a. Product specifications in this Invitation may include **H-GAC** "Required Options". If so, **Offeror** must quote a price for ALL such options, and, if there is an **H-GAC** Option Code provided in this Invitation for such options, it MUST be used as part of the description.
- b. For any specific "Required Option", **Offeror** may quote an equivalent so long as its design and performance are as good as, or better than, the specified option item. Responses which do not include pricing for Required Options may be considered non-compliant.

Other Options

- a. "Suggested" or "Other" options may be listed for any particular Product in this Invitation, and **Offeror** is encouraged to quote pricing for such options. The extent of offered options in any response may be taken into consideration as part of the award criteria, at **H-GAC's** sole discretion.

- b. **Offeror** is encouraged to include options for non-equipment items that may be applicable to a sale, such as: Extended Warranties, Maintenance Agreements, Buy-back or Trade-In Agreements, Out-of-state Delivery Charges, Quantity or Special Discounts, Extended Training Classes, etc.

Published & Unpublished Options

- a. H-GAC Cooperative Purchasing Program (Program) contracts are awarded through a public competitive bid or proposal (RFP) process. Further to that process, Program policy considers an 'option' listed and priced in a bid or RFP Response: (1) To be a "**Published Option**"; (2) To be part of any awarded contract; and (3) To be available for purchase by Program members separately and independently from associated base line items. However, since Published Options may have not been subjected to the same scrutiny as the associated base line items, it cannot be concluded they were directly competed. Therefore, pursuant to Local Government Code 252.021(a), purchase of a published option costing more than \$50,000 shall not be allowed. Furthermore, **H-GAC** reserves the right at its sole discretion to disallow purchase of any Published Option through the Program if deemed contrary to the intent of the law.
- b. Any option that has not been listed and priced in the Response is considered to be an "**Unpublished Option**". Unpublished Options may be sold, but only in connection with the sale of a base Product Item, and only insofar as the total cost of all Unpublished Options remains below twenty five percent (25%) of the total summed cost of the base Product(s) plus any Published Options.
- c. No Published or Unpublished Option may be sold which essentially converts a Product such that it competes with a Product Item awarded to another contractor.

21. WARRANTIES, SALES & SERVICE

Unless otherwise addressed in Section B, the following requirements shall apply:

- a. Offeror must be a properly franchised dealer authorized to sell and service, including warranty service, all products offered and sold in response to the bid invitation or under any **H-GAC** contract.
- b. **Offeror** shall provide detailed Parts and Labor Warranty information with the Response. If **Offeror** submits a warranty with the Response which does not meet the minimum requirements herein, **Offeror** agrees by submission of a Response that such warranty shall be considered to be amended to meet those minimums.
- c. Warranties shall be manufacturer's standard and shall be inclusive of any other warranty requirements which may be stipulated elsewhere herein.
- d. Any warranties offered by a dealer shall be in addition to the manufacturer's standard warranty, and shall not be a substitute for such. **Offeror's** base price for any Product shall be inclusive of the standard warranty.
- e. Complete warranty information will be supplied to **End User** with each Product sold.
- a. Warranties need not apply to normal maintenance service or adjustments, or to any product reasonably shown to have been repaired or altered in any way so as to affect its stability, or to any product which has been subject to misuse, negligence, or accident.
- f. **Offeror/Contractor** is encouraged to offer extended warranties as an option.
- g. Neither **H-GAC** nor **End User** assume any warranty or liability on **Contractor's** behalf unless made or assumed in writing, initiated by **Contractor**, and agreed to in writing by **H-GAC** or the **End User** respectively.
- h. **Contractor** shall be responsible for the execution and effectiveness of all product warranty, and shall be the sole source for solution to problems arising from warranty claims. **Contractor** agrees to respond directly to correct warranty claims and to ensure reconciliation of warranty claims that have been assigned to a third party.

22. H-GAC ORDER PROCESSING CHARGE

H-GAC will levy an Order Processing Charge on **Contractor** for each sale done thru the **H-GAC** contract, with the exception of orders for motor vehicles. Any bid pricing submitted will be considered to include the Charge. The amount of the applicable charge shall be per the most current **H-GAC** schedule. For motor vehicle orders, the Processing Charge shall be levied on and paid by the **End User**.

23. PRE-PAYMENTS AND DISCOUNTS

- a. Progress, pre-payment and special discounts of any kind may be offered and detailed in the Response. Such discounts shall be clearly explained, but shall not be a determining factor in awarding contracts except in the case of tie offerings.
- b. Quantity discounts applicable to similar Products sold to one or more **End User** Departments may be offered. Determination as to product similarity shall rest solely with **Contractor**.
- c. For specific purchases, any proposed quantity, pre-payment or special discounts shall be clearly shown on the Contract Pricing Worksheet.

24. INSPECTION / TESTING

All Products sold pursuant to this Invitation shall be subject to inspection/testing by or at the direction of **H-GAC** and/or the ordering **End User**, either at the delivery destination or the place of manufacture. In the event a Product fails to meet or exceed all requirements of this Invitation, and unless otherwise agreed in advance, the cost of any inspection and/or testing, shall be borne by the **Contractor**.

25. PRODUCT DELIVERY

Unless otherwise addressed in Section B, the following requirements shall apply:

- a. Title to goods, and responsibility and liability for loss and/or damage in shipping pass to **End User** at the delivery destination after receipt and acceptance have taken place. Cost of shipping/delivery shall be paid by **End User** unless otherwise agreed to by **Contractor**. If **Contractor** will be paying for shipping/delivery, shipping terms must be "F.O.B. Destination, Freight Prepaid". If **End User** will be paying for shipping/delivery, shipping terms must be "F.O.B. Destination – Freight Collect".
- b. The details for the application and calculation of shipping and delivery charges must be stated in the Response on **Form E**. Any freight, shipping or delivery charged to **End User** will be prepaid and added to the invoice, and will be clearly shown on any Contract Pricing Worksheet or other quote presented to the **End User**.
- c. The estimated delivery time after receipt of order (ARO), inclusive of Saturdays, Sundays and holidays, for all Products offered must be stated in the Response. Actual delivery for any particular order must be confirmed with **End User** at time of order placement, and must be stated clearly on the Contract Pricing Worksheet.
- d. **Contractor** shall be responsible for delivery and Acceptance according to the requirements of the Contract and the Purchase Order.
- e. Contractor shall advise **End User** prior to making any shipment/delivery, and shall make such shipment/delivery in accordance with **End User's** requirements, providing only that such arrangements do not contravene any requirement of the **H-GAC** contract unless agreed to by **Contractor**.
- f. The execution of all required tests, certifications and/or licensing, and costs thereof, shall be the responsibility of **Contractor**. Upon request by **End User** or **H-GAC**, **Contractor** shall provide any documentation or certification related to such tests, certifications or licensing.

26. OFFERED PRODUCT ITEM VARIANCES

Any variance in the specifications or performance of Products offered pursuant to this Invitation shall be acceptable to **H-GAC** only insofar as it MEETS or EXCEEDS the specifications and requirements of this Invitation.

27. REQUIREMENTS FOR SUBMISSION OF A RESPONSE

Unless otherwise addressed in Section B, the following requirements shall apply:

- a. Responses shall be submitted in two complete printed sets including an Original and one (1) Copy in separate "hard side" three-ring binders. The outer spine of each binder shall be labeled showing this Invitation No., **Offeror** Name, and either "Original" or "Copy", as applicable. The Original printed response will be considered to be the binding Response in case of any conflicts between printed copies and electronic copies. Except for required forms, **H-GAC** Invitation documents should not be included in the Response.
- b. The Original and the Copy shall be submitted complete, except that the Electronic Media should be submitted only with the Copy.
- c. All required **H-GAC FORMS** and documents shall be properly completed, without exception or **Offeror's** Response may be deemed non-compliant. **Offeror** may not modify the format of any **H-GAC FORM** in any way. **Offeror** may photocopy or print blank **FORMS** as needed. Information submitted on the printed copies of the **FORMS** may not be handwritten except for signatures and initials. It is **Offeror's** responsibility to insure that printed **FORMS** are clear and legible. Handwritten and illegible entries may be rejected. **Offeror's** printed, stamped or typed name shall appear on every **FORM** submitted in the Response.
- d. The entire response submission shall also be submitted on electronic media, including all required **H-GAC FORMS**. **Offeror** is strongly advised to make and work with copies of the original electronic **FORMS**. The originals can then be used to make additional electronic or printed copies of the blank **FORMS**. Signatures are not required on the electronic **FORMS**.
- e. The Response shall include ample written evidence, in the form of technical specifications, cut/tear sheets, brochures, pictures, drawings, etc., to demonstrate that all specifications herein have been met and/or exceeded.

- f. The Response shall include, in any format desired, an overview of the **Service Organization** which will support Products sold under any **H-GAC** contract. The overview must include facility locations, phone numbers and Service Manager names, as well as the following:
- The procedure to be used by an **End User** requiring repairs.
 - Typical turn-around time on repairs.
 - Service Department days and hours of operation.
 - Number of qualified / factory trained service personnel normally on hand.
 - Description of the parts inventory on hand.
 - Training services, facilities and personnel available.
- g. Responses shall be enclosed in a sealed package(s) addressed to the Houston-Galveston Area Council, Cooperative Purchasing. The following information shall be stated on the exterior of the package(s):
- Name and address of **Offeror**.
 - Date and hour of public response opening.
 - Bid/Proposal Invitation number.
 - The statement: "**SEALED BID/PROPOSAL, DO NOT OPEN IN MAIL ROOM**".
- H-GAC** shall not be responsible for any Response not properly labeled.
- h. Submission of a COMPLETE Response by telegraphic or electronic transmission is not acceptable. However, Responses may be modified by telegraphic or electronic notice if such notice is received prior to the deadline for submission.
- i. Samples, when required, shall be submitted within the time specified and at no expense to **H-GAC**. If not destroyed or consumed during testing, samples will be returned upon request at **Offeror's** expense.
- j. **Offeror** shall provide firm contract pricing for all Products and Options being offered.
- k. If applicable, responses shall include copies of all current licensing which may be required by the Texas Motor Vehicle Division for execution of sales pursuant to any contract with **H-GAC**.
- l. Due to the complexity of responses and to aid in evaluation, the Response should contain **ALL** required information in tabbed sections as detailed below. Omission of any required FORM or information will be sufficient grounds for **H-GAC** to consider your response to be non-compliant.
- m. **First Section:**
- **Form(s) A – Offeror Identification & Signatory:** Identifies the offering party(ies), and should be completed by each party to the Response. If awarded, a contract will be executed with each.
 - **Form B – Historically Underutilized Business Enterprises:** Used to collect information about disadvantaged and minority suppliers and subcontractors, and to commit **Offeror** to working with Participants toward their program goals.
 - **Form C – Response Checklist:** Certification, and also an aid, to insure that all required information has been included in your Response.
 - References, formatted as described elsewhere herein.
 - Service Organization Document, formatted as described elsewhere herein.

Second Section:

- **Form D – Offered Items Pricing:** For Bids, contains the list of the Product Items covered by this Invitation. Select the items offered and fill in the price for each. (For RFPs, follow the instructions in Section B as this **Form** may or may not be used.)
- **Form E – Published Options:** Used to list and price all offered options. List, each on a separate line, all upgrades, downgrades, optional equipment, features, accessories and services which you desire to sell thru the **H-GAC** contract, if awarded. Published catalogs/price sheets may be listed, along with the discount structure that will apply. (For RFPs, follow the instructions in Section B as this **Form** may or may not be used.)
- **Form W-9 – Request for Taxpayer Identification Number and Certification:** Should be completed by each party to the response.

Third Section:

- Technical Specifications, Product Brochures, Tear Sheets, Cut Sheets, Strippers, etc. which clearly list and show all the standard features and capabilities of each Product Item offered on Form D.

- Warranty Documentation, as described elsewhere herein, for all items offered.

Fourth Section:

- Copies of any applicable Texas MVD Licenses.
 - Electronic Media, containing the complete response including all required *FORMS*, stored in a pouch or an envelope such that it will not fall out of the binder. (Required in 'Copy' only, not in 'Original'.)
 - **Form CIQ – Conflict Of Interest Questionnaire:** Chapter 176 of the Texas Local Government Code requires vendors and consultants contracting or seeking to contract with **H-GAC** to file a Conflict of Interest Questionnaire (CIQ) if they have an employment or other business relationship with an **H-GAC** officer or an officer's close family member. The required questionnaire is located at the Texas Ethics Commission website: http://www.ethics.state.tx.us/whatsnew/conflict_forms.htm. It is Bidder's responsibility to download the form and furnish a completed copy with the Response, if it is applicable.
- n. By submittal of Response, **Offeror** certifies to the best of its knowledge that all information is true and correct.

28. CLARIFICATION TO SPECIFICATIONS & REQUIREMENTS

- a. If **Offeror** is in doubt as to the meaning of any item in this Invitation, a written request for clarification may be submitted to **H-GAC** up to fifteen (15) calendar days prior to the deadline for response submission. **H-GAC** shall not be responsible for late delivery. Requests may be transmitted by FAX or e-mail to the assigned Specification Specialist, and should clearly reference this Invitation number and the specific page and paragraph in question. If there are multiple questions, they should be stated separately and numbered.
- b. Any interpretation of Invitation documents, if made, will be by written Addendum duly issued. A copy of such Addendum will be mailed or delivered to each person officially on record as having been sent a copy of this Invitation. **H-GAC** will not be responsible for any other explanation or interpretation of the Invitation documents made or given prior to the award of the contract.
- c. Any objections to the Invitation documents must be filed in writing with **H-GAC** on or before fifteen (15) calendar days prior to the deadline for submission of responses.
- d. Prospective offerors are advised that, after a draft specification has been issued, the Pre-Bid/Proposal Conference is the primary forum through which comments and suggestions may be offered for consideration by **H-GAC** prior to issuance of the final invitation and specifications.
- e. All best efforts have been made to insure that the product/service descriptions and associated specification information in Sections B & C are correct, and adequate time has been given to prospective Offerors to point out mistakes. However, if an error remains and is caught by Offeror before the scheduled bid/proposal opening, Offeror shall make note of the required correction in the Response, and shall also notify **H-GAC** prior to the opening of responses.

29. INCONSISTENT INFORMATION

H-GAC review of responses supplied on **H-GAC FORMS** is a significant part of the evaluation process. **Offeror** shall state clearly all information required on the *FORMS*. **Offeror's** information supplied on the *FORMS* shall take precedence in the event any standard "boilerplate" type language included in **Offeror's** response is inconsistent with the information supplied by **Offeror** on the **H-GAC FORMS**. In all cases, information on **H-GAC's** printed *FORMS* supplied as part of **Offeror's** response shall take precedence over information supplied on electronic media.

30. REJECTION OF RESPONSES

- a. **H-GAC** may reject a response if:
- **Offeror** misstates or conceals any material fact in the Response, or if,
 - **Offeror** does not strictly conform to law or the requirements of this Invitation.
- b. **H-GAC** may reject any and all responses, and may reject any part of a response.
- c. **H-GAC, at its sole discretion**, may also waive any formalities or irregularities in any response, or ask for corrected information except for pricing.

31. WITHDRAWAL OR MODIFICATION OF RESPONSES

Once received by **H-GAC**, responses may be modified or withdrawn prior to the submission deadline only if the request to do so is in writing submitted by **Offeror's** authorized representative. Responses and requests for modification received after the submission deadline will not be accepted. Requests for response withdrawal received after the submission deadline will be accepted if the request to do so is in writing submitted by **Offeror's** authorized representative.

32. RESPONSE EVALUATION**For Bid Responses:**

- a. Section B will state whether the contract will be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for **H-GAC** and its participants.
- b. If the contract will be awarded based on best value, Section B will state any relevant criteria which **H-GAC** will consider.
- c. For each offered Product Item, **H-GAC** may use the offered price, prices for Required Options, and the prices of selected common Published Options to determine the lowest responsible offer.
- d. Failure of **Offeror** to submit pricing for frequently purchased options and any **H-GAC** required options may cause response to be considered non-compliant at **H-GAC's** sole discretion.

For Proposal Responses:

- e. **H-GAC** will evaluate proposals as detailed in Section B.
- f. By submission of a Response Offeror indicates acceptance of the evaluation technique, and recognizes and accepts that **H-GAC** may at its sole discretion make subjective judgments during the evaluation process.

33. ORDER OF PRECEDENCE PRIOR TO CONTRACT AWARD

In the event of conflict between this document and any references or documents cited herein, this document shall take precedence prior to contract award.

34. AWARD OF CONTRACT

- a. **H-GAC** reserves the right to accept or reject any Product Item or option offered. Additionally, all options included in Offeror's response and accepted by **H-GAC** are understood to be included in any contract.
- b. **H-GAC** shall award contract(s) for line items or groups of line items, at its sole discretion.
- c. With authority granted by the **H-GAC** Board of Directors, a written contract shall be presented to the successful **Offeror(s)** and shall be subject to acceptance by the successful **Offeror(s)** within thirty (45) calendar days after presentation by **H-GAC**. If a contract is not executed within thirty (45) calendar days, **H-GAC** may rescind the contract offer and award a contract to the next **Offeror** in order of rank as determined by **H-GAC**.
- d. Delivery time and prompt payment discounts, including time allowed for payment, may be considered in tie-breaking of offers which are judged by **H-GAC** to be equal in all other criteria.
- e. The contract shall include the following documents in the stated order of precedence:
 - 1st** The contract document signed by **H-GAC** and **Offeror**.
 - 2nd** This Invitation and all specifications referenced herein.
 - 3rd** **Offeror's** response to this Invitation.

35. PRO-FORMA CONTRACT

This Invitation includes a Pro-Forma (sample) Contract which successful offerors will be expected to sign. The actual final contract will be the same or nearly the same as the Pro-Forma. NOTE: Successful Offerors MAY NOT process any purchase orders until the contract documents have been executed and returned to **H-GAC**.

36. CONTRACT TERM

The contract shall be in effect throughout the period stated elsewhere in the contract documents, and thereafter until such time as any outstanding orders against the contract have been fulfilled. The contract may be extended if deemed by **H-GAC** to be in the best interests of the Program, and subject to mutual agreement of the parties.

37. PERFORMANCE & PAYMENT BOND

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB), and offered pricing should reflect this cost saving. However, **Contractor** must be prepared to offer a PPB to cover any specific order if so requested by **End User**. **Contractor** shall quote a price to **End User** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **End User's** purchase order.

38. CHANGE ORDERS

End Users shall have the right to make additions by addenda for the purpose of clarification or inclusion of additional specifications, qualifications, conditions, etc. Any such addenda shall be made in writing and agreed upon by **Contractor** and the **End User** agency prior to issuance of any Change Order. A copy of any such Change Order shall be furnished by **Contractor** to **H-GAC**.

39. DUPLICATION OF TERMS OR STATEMENTS

Where statements or terms are duplicated or are extremely similar, **H-GAC** and the **End User** reserve the right to use the statement or term most favorable to **H-GAC** and/or the **End User**.

40. PUBLICITY

H-GAC encourages contractors to "market" the Program, and can provide some information and artwork to be used in published promotional materials. However, any publicity or published material released by **Contractor** referencing the contract, whether in the form of a press release, brochure, photographic coverage, or verbal announcement, shall be issued only with prior review and approval by H-GAC.

41. TAXES

HGAC and **End User** participants are either units of government or qualified non-profit agencies, and are generally exempt from Federal and State sales, excise or use taxes. **Offeror** shall not include any such taxes in the Response. Further, it shall be the responsibility of **Contractor** to determine the applicability of any taxes to a particular order and act accordingly. Exemption certificates will be provided upon request.

42. DRUG FREE WORKPLACE

Contractor shall provide notice to its employees and sub-contractors, as required under the Drug-Free Workplace Act of 1988. A copy of **Contractor's** Drug-Free Workplace policy shall, on request, be furnished to any **End User**.

43. PRODUCT NOTICES & MAILINGS

H-GAC is NOT the owner of Products sold pursuant to this Invitation, but acts only in the capacity of purchasing agent. In that regard, **Contractor** accepts sole responsibility for insuring that notices and mailings, such as Safety Alerts, Safety Recall Notices and Customer Surveys, are sent directly to the **End User** of record.

44. HANDLING OF ORDERS & PAYMENTS

In general, orders and payments will be handled as described below. More specific instructions and information regarding handling of purchase orders and the Order Processing Charge may be provided after contract award. Established procedures may be changed at any time by **H-GAC** as may be dictated by efficient business practice. The particulars of any sale, e.g. specific products, pricing, delivery, warranty, etc., will be in strict accordance with the terms and conditions of this Invitation and the specific contract awarded to **Contractor**. Beyond that:

- a. For any particular procurement to be made under the provisions of an **H-GAC** contract, **End User** and **Contractor** will discuss requirements and agree as to what will be provided.
- b. **Contractor** will prepare a Contract Pricing Worksheet and provide it to **End User**. The Worksheet will list everything being purchased including the base bid item(s), all published and unpublished options and the delivery date. All pricing shall be per the current contract.
- c. **End User** will send a purchase document to **Contractor**, which **Contractor** will send **H-GAC** together with the Contract Pricing Worksheet. **NOTE: Contractor** agrees not to offer, agree to or accept from **End User** any terms or conditions that conflict with or contravene those in **Contractor's** **H-GAC** contract, except for pricing discounts.

- d. **H-GAC** will prepare an "Order Confirmation" and send it to **End User** and to **Contractor**. The Order Confirmation verifies that **Contractor** has a valid **H-GAC** contract and that the order is in compliance with the requirements of the **H-GAC** Cooperative Purchasing Program. **Contractor** will not ship any goods before receipt of both **End User's** purchase document and **H-GAC's** Order Confirmation.
- e. On notification that **Contractor** has received an order, **H-GAC** will invoice **Contractor** for the applicable Order Processing Charge. **NOTE:** The Order Processing Charge is charged to **Contractor**, **EXCEPT in the case of motor vehicles**. For all sales of motor vehicles the Order Processing Charge is levied on the **End User**, collected by **Contractor**, and remitted to **H-GAC** by Contractor.
- f. **Contractor** will deliver products/services ordered, and will invoice **End User** for products/services accepted by **End User**. (See other Sub-Section herein dealing with Product Delivery.) **Contractor** will not invoice before shipment has been made.
- g. **End User** will pay **Contractor** for those products and/or services ordered which have been received and accepted. Under no circumstances shall any check be made payable to a representative or agent. Should a representative or agent submit an invoice to **End User** for any cost related to a purchase order issued to **Contractor** for products/services covered by an **H-GAC** contract, such invoice shall be forwarded to **Contractor** and **Contractor** will take action to correct the error.
- h. Upon delivery of any product/service by **Contractor** and acceptance by **End User**, **Contractor** shall remit to **H-GAC** the full amount of the applicable Order Processing Charge in accordance with the payment terms established in the **H-GAC** contract. Note, the Order Processing Charge is due whether or not **Contractor** has ever received an invoice from **H-GAC**. Sales executed based on the particulars of **Contractor's H-GAC** contract, without payment of the Order Processing Charge, may constitute fraud.

45. PRICE CHANGES

- a. Any permanent increase or decrease in offered pricing for a base contract item or published option is considered to be a price change. Temporary increases in pricing by whatever name (e.g. 'surcharge', 'adjustment', 'equalization charge', 'compliance charge', 'recovery charge', etc.), are also considered to be price changes.
- b. Except in the case of contracted published catalogs and price sheets, prices for Base Bid Items and Published Options are expected to be held firm for a minimum of 90 days from the date an awarded Offeror signs the **H-GAC** contract. Thereafter, changes will be considered if accompanied by justifying documentation satisfactory to **H-GAC**. For published catalogs and price sheets which are on an **H-GAC** contract, requests to amend the contract to reflect any new published catalog or price sheet may be submitted whenever the manufacturer publishes the new document. Any such request must include the new catalog or price sheet.
- c. If **Contractor** routinely offers discounted contract pricing, **H-GAC** may request **Contractor** to accept amended contract pricing equivalent to the routinely discounted pricing.
- d. No price change will be allowed unless it has been reviewed and approved by **H-GAC** in writing. **Contractor** must have received **H-GAC's** written approval of any change prior to charging the new price or using it in any quotation prepared for an End User.
- e. Price change requests must be submitted to **H-GAC** in writing and must be received by **H-GAC** at least thirty (30) calendar days prior to the requested effective date of the change, and must state the time period for which the requested pricing will remain firm.
- f. Price change requests shall include **H-GAC Forms D** and **E**, or whatever documentation was used to submit pricing in the original Response hereto, showing all affected items with current contract price, requested price, and percentage change shown clearly for each. This documentation should be submitted in MSExcel format to facilitate analysis and updating of the website.
- g. Price change requests **MUST** be supported with substantive documentation (e.g. manufacturer's price increase notices, copies of invoices from suppliers, etc.) showing that **Contractor's actual costs** have increased. The Producer Price Index (PPI) may be used as partial justification, subject to approval by **H-GAC**, but no price increase based solely on an increase in the PPI will be allowed.
- h. All Products shall, at time of sale, be equipped as may be required under any then current applicable local, state, and federal government requirements. If, during the course of any contract, changes are made to such government requirements which cause a manufacturer's costs of production to increase, **Contractor** may increase Product pricing to the extent of **Contractor's** actual cost increase. The increase must be substantiated with support documentation acceptable to **H-GAC** prior to taking effect. Modifications to a Product required to comply with such requirements which become effective after the date of any sale shall be the responsibility of the **End-User**.

- i. In cases involving contract extensions exceeding sixty-one (61) days beyond the stated expiration date of the contract, **Contractor** may request a price change based on the same conditions as stated above. However the thirty (30) day prior notice is waived and **H-GAC** will consider the request immediately on receipt.
- j. **H-GAC** reserves the right to accept or reject any price change request. Acceptance, if granted, will be in writing and the approved changes will become part of the contract.

46. CONTRACT ITEM CHANGES

- a. If a manufacturer discontinues a contracted item, that item will automatically be considered to be deleted from the contract with no penalty to Contractor. However, **H-GAC** may at its sole discretion elect to make a contract award to the next low offeror for the item, or take any other action deemed by **H-GAC** to be in the best interests of **End Users**, at its sole discretion.
- b. If a manufacturer makes any change in a contracted item which does not affect the contract price, Contractor shall advise **H-GAC** of the details. If the 'new' item is equal to or better than the originally contracted item, the 'new' item shall be approved as a replacement. Otherwise **H-GAC** may allow or reject the change, or take any other action deemed by **H-GAC** to be in the best interests of **End Users**, at its sole discretion. If the change is rejected there will be no penalty to Contractor.
- c. If a manufacturer makes any kind of change in a contracted item which affects the contract price, Contractor shall advise **H-GAC** of the details. **H-GAC** may allow or reject the change at its sole discretion. If the change is rejected there will be no penalty to Contractor. However, **H-GAC** may elect to make a contract award to the next low offeror for the item, or take any other action deemed by **H-GAC** to be in the best interests of **End Users**, at its sole discretion.
- d. In the case of specifically identified catalogs or price sheets which have been contracted as base bid items or as published options, routine published changes to products and pricing shall be automatically incorporated into the contract. However, **Contractor** must still provide thirty (30) calendar days written notice and an explanation of the changes to products and pricing. **H-GAC** will respond with written approval.

47. FORCE MAJEURE

If either party shall be wholly or partially prevented from the performance of any contractual obligation or duty by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident., order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of Force Majeure shall rest solely with **H-GAC**.

48. PERFORMANCE UNDER CONTRACT

H-GAC is committed to insuring that **Contractor** provides effective and efficient service to all Participants in the Cooperative Purchasing Program, and expects that certain Performance Conditions must be met. Failure to meet these conditions may result in contract termination. In that regard, **Contractor shall:**

- a. Appoint a dedicated representative to be the contact person and focal point for all matters relating to End User quotations and orders. The representative shall have: A toll free phone number with voice mail; A fax number; A working e-mail address; and A postal address.
- b. Insure that the representative timely monitors all communication modes listed above, and promptly responds to communications from **End Users** and **H-GAC** in any of these modes. Phone calls will be promptly returned, in any event not later than the next business day. Acceptable failure will be due only to Force Majeure.
- c. Maintain sufficient qualified staff to promptly process all communications from **H-GAC** or **End Users**, and to efficiently, effectively and accurately service all requirements of the contract.
- d. As may be requested by **H-GAC**, replace any staff members who are not providing the service and expertise deemed necessary by **H-GAC** for acceptable support of **End Users**.
- e. Properly prepare and provide to **End User** a Contract Pricing Worksheet, or a quotation in other format as approved by **H-GAC**, for each and every order that is to be executed.
- f. Furnish, on request of **H-GAC**, reasonable data, forms and graphic material to be used in brochures or other print media, or on **H-GAC**'s website.
- g. Allow access to **H-GAC** authorized personnel for inspection of operating facilities, and auditing of purchase orders during the contract period, and for a period extending thru the completion of any outstanding orders. Site inspection may be arranged not less than ten (10) calendar days prior, shall include the names of all participants, and shall be at no expense to **Contractor**.

h. **Reporting Requirements:**

- **Contractor** agrees to submit written quarterly reports to **H-GAC** detailing all transactions during the previous three month period. Such reports shall include, but are not limited to the following:
 - **End User** name
 - Product/Service purchased, including Product Code if applicable
 - End User Purchase Order Number
 - Purchase Order Date
 - Product/Service dollar amount
 - **HGACBuy** Order Processing Charge amount
- Reports must be provided to **H-GAC** in MSExcel or other acceptable electronic format, and are due by the 30th day of the month following the applicable quarter being reported.

- i. Should **Contractor** default in providing Products or Services as required by this Invitation and the contract, recourse may be exercised thru cancellation of the contract and other legal remedies as may be appropriate.

49. IMPLEMENTATION OF INTERNET BASED E-COMMERCE

H-GAC Cooperative Purchasing has adopted E-Commerce as part of its business model and maintains an internet website at www.HGACBuy.org. At any point in time, various information and process functions may be implemented and made operational thru the website, including but not limited to items such as:

Information Items

- Contract information
- Procurement schedules
- Response requirements & specifications
- Product and option item catalog listings
- **End User & Contractor** information

Functions

- **End User** product inquiries
- Product configuration and price quotes
- Purchase Orders and Confirmations
- Shipping/Delivery notices
- Invoice generation
- Payment remittances, etc.

All **H-GAC Contractors**, as a condition of contract, will be required to work with **H-GAC** and it's E-Commerce provider(s) to maximize use of E-Commerce within the context of **H-GAC** Cooperative Purchasing business. **Offeror** is encouraged to refer to **H-GAC's** Cooperative Purchasing web site where additional information can be found. If you have any questions, please contact **H-GAC** for assistance.

50. CONTRACTOR ORIENTATION/TRAINING

H-GAC believes that **Contractor's** familiarity with the operational policies and requirements of the Cooperative Purchasing Program is a key factor in achieving **End User** satisfaction. In that regard, the Contact Person listed on **Form A**, or an alternate, shall be required to participate in an **H-GAC** vendor orientation/training as soon as possible after contract award. In addition, any other of Contractor's staff who will be involved in any way with the HGACBuy Program should participate in orientation. The orientation may be presented as a teleconference or webinar, or may be held in **H-GAC's** offices as may be determined by **H-GAC** and Contractor to be the most efficient and effective form of delivery.

51. LEGAL & CONTRACTUAL REMEDIES**RESOLUTION OF PROTESTED SOLICITATIONS AND AWARDS****Procedure**

Any actual or prospective **Offeror** or **Contractor** who is aggrieved in connection with a purchase transaction may file a grievance. The grievance may be filed at any phase of the procurement. In order for an above mentioned party to enter the grievance process, a written complaint must be sent to the Office Services Manger of **H-GAC** by certified mail which identifies the following:

1. Name, mailing address and business phone number of the complainant.
2. Appropriate identification of the procurement being questioned.
3. A precise statement of reasons for the protest.
4. Supporting exhibits evidence or documents to substantiate any claims.

The grievance must be based on an alleged violation of **H-GAC's** Procurement Procedures, a violation of State or Federal law (if applicable), or a violation of applicable grant or contract agreements to which **H-GAC** is a

party. Failure to receive a procurement award from **H-GAC** in and of itself does not constitute valid grievance. Upon receipt of grievance, the Office Services Manager will initiate the informal resolution process.

Expedited Resolution

The Procurement Officer or Departmental Manager responsible for the solicitation shall contact the complainant and all interested parties and attempt to resolve the allegations informally within ten (10) working days from date of complaint. If the allegations are successfully resolved by mutual agreement, documentation will be forwarded to the Office Service Manager of the resolution with specifics on each point addressed in the original complaint.

If the Procurement Officer or Departmental Manager is not successful in resolving the allegations, the complaint along with the comments will be forwarded to the Office Service Manager immediately. The Office Service Manager will review all documentation. All interested parties will be given written notice of the date, time, and place of the hearing and an opportunity to present evidence. A written decision will be issued within five (5) working days after the hearing along with notice of appeal rights.

Appeals

The complainant may appeal the Office Service Manager's decision by submitting a written appeal, within five (5) working days, to the Executive Director of **H-GAC**. The Executive Director, upon receipt of a written notice of appeal, shall contact the complainant and schedule a hearing within ten (10) working days. The Executive Director of **H-GAC** has the option of appointing a Hearing Officer to preside over the hearing. If appointed, the Hearing Officer shall conduct a hearing and forward a summary and recommended resolution to the Executive Director.

The decision reached by the Executive Director or his designee shall be final and conclusive. This decision will be forwarded to the complainant in writing within thirty (30) working days.

The **Contractor** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a Court of competent jurisdiction.

RESOLUTION OF CONTRACT DISPUTES

Upon breach or default, **H-GAC** shall give the **Contractor** written notice of default. If the default is not remedied, within a reasonable specified time from date of notification, to the satisfaction and approval of **H-GAC**, default will be declared.

Upon breach of contract or default, **H-GAC** may exercise any and all of its rights afforded by law, including but not limited to those referenced in the General Contract Provisions.

SOLICITATIONS OR AWARDS IN VIOLATION OF THE LAW

Contracts awarded in violation of the competitive process or otherwise in violation of the law are voidable by **H-GAC**.

52. NATIONWIDE SALES OPPORTUNITIES

HGACBuy provides purchasing services to local governments qualifying non-profits throughout the nation, and desires to make established contracts available to them wherever and whenever practicable. Therefore, once a contract is awarded, **Contractor** is expected to expand the scope of its marketing effort to include sales to **End Users** in all areas of the United States, and/or to assign any **H-GAC** contract to another contractor(s) as deemed appropriate by **H-GAC** in the interest of its End Users.

- **Contractor** may sell through **HGACBuy** anywhere subject to compliance with applicable laws and regulations. If the market structure in which **Contractor** operates requires a contract assignment for any particular sale, **H-GAC** will expect **Contractor** to assign the contract to a Manufacturer or to another Dealer(s). Such assignment must be approved by **H-GAC**.
- **Contractor's** differential costs (e.g. transportation & delivery charges) and allowances (e.g. manufacturer's sales incentives) related to any sale may be charged to buyer.

End of Section A
GENERAL TERMS & CONDITIONS

SECTION B - PRODUCT SPECIFIC REQUIREMENTS
For
AMBULANCES, EMS & OTHER SPECIAL SERVICE VEHICLES

Table Of Contents

1. PURPOSE & SCOPE	1
2. COMMITMENT	2
3. EQUIPMENT CATEGORIES & PRODUCT CODES	2
4. GENERAL REQUIREMENTS	2
5. ABBREVIATIONS, ACRONYMS & DEFINITIONS	3
6. SAFETY INSPECTION AND LICENSES	3
7. EQUIPMENT MANUFACTURER'S SUPPORT	4
8. FACTORY TESTING	4
9. WARRANTY PERIOD	4
10. DELIVERY DOCUMENTATION	4
11. ELECTRICAL AND MECHANICAL REQUIREMENTS & FEATURES	5
12. TRADE IN CREDIT	6
13. STANDARDS ON BLOOD BORNE DISEASES	6
14. KKK-A-1822F – FEDERAL AMBULANCE SPECIFICATIONS	6
15. MINIMUM CAB/CHASSIS SPECIFICATIONS FOR AMBULANCES	6
16. OPTIONS AND ACCESSORIES FOR AMBULANCES	7
17. REMOUNT SERVICES ONLY	7
18. REMOUNT ON CONTRACTOR SUPPLIED CHASSIS	7
19. REFURBISHED SERVICES	8
20. OPTIONS & ACCESSORIES FOR VEHICLES OTHER THAN AMBULANCES	8
21. REQUIREMENTS FOR EQUIPMENT OTHER THAN AMBULANCES	8
22. COMPETITIVE PRICING	8
23. RESCUE UNITS	8
24. RESCUE/FIRE/EMS VESSELS	8
25. EVALUATIONS AND AWARDS	8

ELECTRONIC SUBMISSION

IMPORTANT:

Responses will be accepted by online electronic submission only. There will be two (2) links provided in the solicitation documents detailing the following:

- **How to submit your bid electronically**
- **Instructions on uploading your bid**

These links can be downloaded from HGACBuy's website, <https://www.hgacbuy.org/bid-notice>

1. PURPOSE & SCOPE

Members of H-GAC's Cooperative Purchasing Program periodically have need of a variety of Ambulances, EMS and Other Specialty Vehicles, and may choose to buy them thru the Program. This Invitation and the specifications included and referenced herein are meant to establish minimum design and performance standards for such equipment, which shall be offered to members thru term contract(s).

2. COMMITMENT

Offeror is required to make some basic commitments to insure the overall success of this program. By submission of a response, offeror commits to the following:

- **Corporate/Sales Commitment** – A commitment that **HGACBuy** has the support of senior management and that **HGACBuy** will be the primary government contracting vehicle when offering services/products awarded from this solicitation to eligible end users nationwide. A further commitment to aggressively market the program, both independently as well in partnership with **HGACBuy**.
- **HUB Participation** – It is **H-GAC's** goal to have Historically Underutilized Business Enterprise (HUB) participation in providing services under a contract. IF **Offeror(s)** intends to employ subcontractors in providing services/products related to this solicitation, **Offeror(s)** shall make and demonstrate a good faith effort to include HUB participation under a contract. **Offeror(s)** good faith effort shall include, but is not limited to the following affirmative steps (ref. 2CFR 200.321):
 - 1) Placing qualified small and minority businesses and women's business enterprises on solicitation list;
 - 2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
 - 3) Dividing total requirements, when economically feasible, into smaller task or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - 5) Using the services and assistance as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;

NOTE: The term HUB as used in this solicitation is understood to encompass all programs/business enterprises such as Small Disadvantaged Business (SDB), Disadvantage Business Enterprise (DBE), Minority Owned Business Enterprise (MBE), Women Owned Business Enterprise (WBE) and Disabled Veteran Business Enterprise (DVBE).

3. EQUIPMENT CATEGORIES & PRODUCT CODES

The basic equipment categories included in this Invitation are listed below. Specific base bid items and associated H-GAC Product Codes are listed on **Form D**.

Equipment Categories (1st Character of Product Code)

- A. Ambulance
- B. Light/Medium Rescue Vehicle
- C. Other Specialty Vehicle or Equipment
- D. EMS Vehicle Conversions
- E. Remounts

4. GENERAL REQUIREMENTS

- This Invitation is designed to obtain bids that will:
 - A) Provide component prices for Emergency Medical Service Equipment and Units, and
 - B) Provide a pricing structure or formula for services associated with the design, development, delivery, and installation of the equipment.

At the direction of each End User Agency, Contractor shall develop individual, unit specific recommendations using the contractual component price list and service formulas.

Contractor shall honor purchase orders for supply of new units and installation of Products on existing units, but will not be obligated to supply items such as stretchers, disposable medical supplies and oxygen tanks.

- **First Section of Bid** - Place the completed **Forms A, B, C, H, W-9, CIQ, 1295, HB 89 and CCI**
- **Form A's**

*An originally signed **Form A** from the all entities who are party to this submission and who should be offered a contract if this submission is successful. These entities should include the Ambulance Manufacturer and / or Converter and the Franchised Texas Dealer. **Form A's will be accepted from those dealers outside Texas who have current or past sales through the program (Note: All other sales outside Texas should be coordinated through the manufacturer when possible)**. In those cases where sales must go through a dealer due to franchise agreements, **Form A's will be accepted from those out-of-state dealers. For those only bidding conversions (i.e. mobile command, light rescues), Form A's from in-state commercial chassis dealers for the underlying chassis make being quoted must be provided in order to sell in Texas.***

- **Spec/Quote Sheet**

*Bidder shall supply a spec/quote sheet for each product code bid on **Form D** (including remounts). These sheets should call out the H-GAC Product Code and detail what features are included in the price quoted on **Form D**.*

*Note: The spec/quote sheet supplied in the solicitation for complete units should provide vehicle model year/date and/or the price level information. This information is needed in order to process price change request on vehicles bid on **Form D**.*

- **Fees**

For all complete vehicles (Ambulances, EMS and Special Service) excluding remounts, there will be a flat fee of \$1,000.00 assessed per purchase order. There will be a flat fee of \$600.00 assessed per purchase order for remounts.

Note: For all non-vehicle products (boats, trailers etc.) there will be a fee of 1.5% of the total Purchase Order amount (Published Items) per purchase order. Include this fee into your pricing.

5. ABBREVIATIONS, ACRONYMS & DEFINITIONS

In addition to abbreviations, acronyms and definitions defined elsewhere herein, the following may also be found in these specifications:

AMD = Ambulance Manufacturers Division of the National Truck Equipment Association

Gallons. United States gallons.

PTO. Power takeoff.

Aluminum Constructed Body – patient module with all aluminum construction **including** structural components, cabinets, floors (no wood products used in construction).

General Constructed Body – patient module with aluminum structural components and other marine or exterior grade construction materials.

Chassis Powered – ambulance module powered by chassis electrical system.

Generator Powered – ambulance module including module mounted warning equipment and scene lights powered by on-board generator.

6. SAFETY INSPECTION AND LICENSES

A. **Safety Inspection**

Any vehicle bid to **H-GAC** shall include in the bid price, the cost of providing whatever Safety Inspection is required in the state of purchase, including documentation and windshield sticker.

B. **State Licenses**

Offeror must have all licensing required by any state in which business is conducted under an **H-GAC** Contract, and in particular the State of Texas, Department of Transportation, Motor Vehicle Division Code, if applicable. **Offeror must provide, in any response hereto, a copy of its current Texas MVD Motor Vehicle Dealers License and any other licenses (Converter, Trailer etc.) that may be required to sell their bid items in Texas.** Further, Contractor must provide licensing documentation for other states to **H-GAC** whenever requested.

7. EQUIPMENT MANUFACTURER'S SUPPORT

- A. The Contractor shall be prepared to offer replacement parts and/or service at prevailing rates **Equipment and Units** shall maintain replacement parts and service for all equipment. An ample stock of individual components shall be carried for a minimum of seven (7) years after dates of acceptance by End Users of **Emergency Medical Service Equipment and Units**.
- B. If any component becomes obsolete or unavailable, the Contractor shall be responsible for providing a device which will functionally replace the component if replacement parts are ordered. Ultimately, the Contractor shall, if required, replace the item with equipment of current manufacture which will provide the same functions.
- C. Offeror shall certify by submission of this bid the capability to supply replacement parts (for ambulance conversions) as may be required for a period of at least seven (7) years after **Emergency Medical Service Equipment and Units** have been accepted by End User Agencies.

8. FACTORY TESTING

Emergency Medical Service Equipment and Units shall undergo extensive factory testing prior to shipment to End Users. Testing shall encompass all phases of **Emergency Medical Service Equipment and Units** equipment from board or modular component level, to fully assembled status. Houston-Galveston Area Council shall be furnished documentation on request.

Note: End User Agency shall be responsible for travel and expenses related to factory inspections. Offeror may provide this travel as an option to End User Agency where permitted.

9. WARRANTY PERIOD

The warranty period for all equipment and accessories shall be, at a minimum, at least as per the standard warranty period normally offered by the manufacturer. This shall supersede any requirement related to warranty period stated in Section A.

- A. The patient compartment, all modifications to the OEM chassis by Offeror on the accepted unit, equipment and parts shall be guaranteed for a minimum period of ONE (1) years against defects in design, materials, and workmanship. The warranty period shall begin upon final acceptance of the equipment. This warranty shall cover parts and labor expenses.
- B. On type I & III emergency medical service MODULE the warranty period shall be **fifteen (15) years**.
- C. This warranty shall be upgraded to its original status each time the module is remounted by Contractor or a Contractor authorized remount facility, not to exceed five (5) years above the original warranty.
- D. Warranty of all system equipment shall be the sole responsibility of the Contractor under contract, but may be performed by their certified, designated agent.
- E. In the event any component part of equipment or materials furnished under these specifications, or it's subsequent contract(s), becomes defective by reason of material or workmanship during said period, and the end user agency immediately notifies Contractor of such defect, Contractor shall at no expense to the End User agency or **H-GAC**, repair or replace equipment or component with new equipment or component.
- F. Contractor shall furnish copies of warranties for all installed or otherwise provided equipment upon delivery of vehicle(s) to end user agencies. "On site" service shall be furnished for minor repairs and electrical problems by the contractor, but may be performed by their certified, designated agent emergency medical service units.

10. DELIVERY DOCUMENTATION

- A. **User's Manual**
At least one (1) user or operators manual shall be furnished with each delivered piece of equipment. Manuals shall provide basic operational description of all equipment and other pertinent operational details. Manuals shall be concise, simple, and shall include pictures showing various operator controls.
- B. **Installation / Service Manual & Schematics**
The Installation/Service Manual shall describe proper **Emergency Medical Service Equipment and Units** installation procedures. The manual shall include those details which are unique to the unit. The Installation/Service Manual shall also include a maintenance section with board overlays, schematic diagrams, and theories of operation. Explanation of diagnostic display interpretations shall also be included. All drawings shall be accurate, to a scale sufficiently large to show all pertinent features of

unit/system items and method of connection, detailing components. Two each to be provided with each EMS unit delivered.

C. Equipment Documentation

Contractor shall deliver to End User Agency a complete set of manuals, warranties, warranty registration, instructions, etc. associated with any equipment installed or provided with the supplied Emergency Medical Service Equipment and Unit(s). This includes documentation for items such as sirens, lighting, siren speakers, oxygen devices, stretchers and cab-chassis.

11. ELECTRICAL AND MECHANICAL REQUIREMENTS & FEATURES

A. Ergonomic Design

Operator control functions, switches, buttons, and displays shall be designed to aid and enhance operator capabilities by minimizing efforts required to control equipment. Each function shall be labeled in a manner which minimizes operator error. Each major equipment function shall have an individual switch and associated indicator.

B. Electrical Features

1. Electronic circuitry employed throughout the **Emergency Medical Service Equipment and Units** may utilize integrated, solid state circuitry, and may utilize Very Large Scale Integration. The only exception allowed shall be relays for external interfaces and switches. Switches shall be rated for a minimum of one million (1,000,000) operations. On printed circuit boards, all active devices shall have designations screened onto the circuit board at each device location. All optional and auxiliary circuit output connections shall be screened onto the board for easy reference.

2. All **Emergency Medical Service Equipment and Units** electrical components should be of plug-in modular design. The plating material on circuit board edges, where plug-in contact is made, shall provide maximum reliability. All Copper traces on circuit boards shall be covered with protective materials which provide both isolation and non-conductivity.

C. Equipment Interchange Ability

For ease of service and reduction of spare parts, all components and similar equipment shall be interchangeable excepting minor adjustments, where applicable. The exchange of equipment by personnel of the End User Agency shall in no way constitute a violation of the warranty if performed according to basic steps listed in User's Manual or Installation/Service Manual. **Emergency Medical Service Equipment and Units** shall have all essential, standard maintenance areas located to provide ease of access.

D. Standard Electrical Feature Expansion

Field enhancement and expansion of standard electrical features shall be accomplished by modification or addition of required components to control the added features.

E. General Installation Requirements

1. The installation procedures for all equipment shall be accomplished in a complete and professional manner.

2. To conform with manufacturers' warranties, all equipment installed under this agreement having a manufacturer's warranty shall be installed by, or under the direction of, the manufacturer or his certified agent. All such manufacturers' warranties shall be forwarded to the End User Agency.

3. All work involving manufactured goods or products shall be performed in accordance with manufacturer's recommendations. Any and all items of work referred to by the specifications, unless specified to the contrary in writing, shall be the responsibility of the Contractor and shall be included in submitted bid.

4. Installations shall include all related costs to interface equipment to the **Emergency Medical Service Equipment and Units** sources. Contractor shall be responsible for freight, handling, unpacking, placement, cabling, and final configuration of all proposed equipment; and all of these costs shall be identified in the bid.

5. Contractor shall be responsible for maintaining safe, clean work area, removing associated debris as needed.

F. Installation / Assembly Acceptance

Each **Emergency Medical Service Equipment and Unit** installation/assembly shall be completed and thereafter accepted in written form by the End User Agency, with copy forwarded to the **H-GAC** for final acceptance.

12. TRADE IN CREDIT

Contractor may offer reduction in price through credit for trade-in of End User Agency equipment at market value negotiated between Contractor and End User Agency. However, Trade-In credit shall be used to reduce End User cost only after applicable totals are tabulated.

13. STANDARDS ON BLOOD BORNE DISEASES

All **Emergency Medical Service Equipment and Units** sold thru the Program executed shall be compliant with Occupational Safety and Health Administration BLOOD BORNE pathogen standards, National Fire Protection Association, Inc standards, and Center for Disease Control recommendations.

Emergency Medical Service Units shall be designed to expedite the removal of blood and other body fluids, provide isolated disposal areas for needle sharps and infected material, and eliminate use of materials in the manufacturing of units which provides a growth media for BLOOD BORNE pathogens.

14. KKK-A-1822F – FEDERAL AMBULANCE SPECIFICATIONS

All Ambulance equipment offered and sold hereunder must meet Federal Ambulance Specification KKK-A-1822F, and all modifications and enhancements to that specification as detailed in this Invitation. A copy of the Federal Ambulance Specifications may be downloaded at no cost from the internet at:

[FSS.GSA.GOV/VEHICLES/BUYING](http://www.ntea.com/Downloads/AMD_KKK-A-1822F.pdf). (http://www.ntea.com/Downloads/AMD_KKK-A-1822F.pdf).

Note: Class 2 (four wheel driven - 4X4), Configuration A for all Types (as referenced in KKK A-1822F) can be included in the manufacturing options (**Form E**). All units are to be bid with **ALS Configuration** compliance. Offerors may offer a CREDIT on **Form E** for End User Agency choice of a **BLS Configuration** as an option as well.

15. MINIMUM CAB/CHASSIS SPECIFICATIONS FOR AMBULANCES

Offered commercial cab-chasses shall meet all specification herein, including the following:

- **All cab/chassis shall be current model Ford, Dodge, Chevrolet, GMC, International, Freightliner or other compliant cab & chassis**, with 47A ambulance prep-package, where applicable, to be included in the base unit price.
- Chassis OEM engine suitable for proposed units intended use with automatic transmission and drive train, with spin-on oil filter, dry paper element type air filter, minimum one-half inch clearance between fan blades and radiator, and radiator with heavy duty coolant recovery system.
- Multi-speed automatic w/auxiliary transmission cooler
- Power steering
- Brakes, dual hydraulic power, rear anti-lock braking system on type I, II, and III.
- Dual parking brake, cable actuated operated on type I, II, and III
- Factory air conditioning with engine driven compressor and environmentally safe freon, heavy duty cooling package and heavy-duty radiator
- OEM tinted glass
- Dual wheels, if applicable - wide track rear axle
- Unless specified by the end user, on Type I or III Modular Ambulance and Type II Van, single rear axle shall be the minimum specifications or according to payload requirements as indicated in the NFPA 1917 specification.
- Rear axle ratio suitable for intended use
- Heavy duty front springs with front stabilizer bar
- Heavy duty gas shock absorbers front and rear
- Heavy duty rear springs designed for intended use
- Radial tires with highway tread
- Spare tire and wheel as above
- Chrome front bumper
- OEM Exterior mirrors suitable for intended use
- Dual heavy-duty batteries providing cold cranking amperage suitable for intended use
- Mud flaps in compliance with Texas state law.
- Factory dual horns, electric
- Windshield wipers, with intermittent feature
- Factory installed fuel tanks

- Unless specified by the end user, paint should be Ford Polar White or approved equal
- Aero or equal halogen headlights w/impact-resistant lenses.
- **Electrical generating system**
At minimum the ambulance shall be equipped with an OEM standard DC power from either a single or dual OEM alternator. Another brand of alternator may be substituted, provided the manufacturer of the alternator has a local service center and the alternator has been certified by a certified testing authority that the generating system meets the requirements of NFPA 1917. Increase to the capacity of the electrical system shall grow in accordance to the demand in the final electrical design of the system and the electrical load thereto. Exception to this requirement is an emergency medical service unit with an auxiliary generator set with electronic ignition, then the OEM cab-chassis 100 ampere or greater alternator is acceptable.

16. OPTIONS AND ACCESSORIES FOR AMBULANCES

Bidder shall provide a thorough listing of options on **Form E** for the categories listed below. Bidder may list/price these options individually or provide a catalog specifying the pricing/discount structure. All catalogs must be identified (name, effective date, year) on **Form E**. If catalog is submitted, bidder shall provide a copy of this catalog w/bid. The catalog/retail price book bid shall be the one in effect at the time of bid submittal. In any event, manufacturers' descriptions, part numbers, and pricing must be provided. Pricing must include installation on the vehicle when part of original vehicle order. Where one of these options is standard equipment, buyer may choose to take a credit in lieu of the required option, provided omission of the item does not make the unit non-compliant with **NFPA, QVM** and/or any other applicable certifications. This list is not meant to be restrictive or all inclusive. Offeror is expected to provide a complete listing of options/accessories with the response.

Required Option (To be bid on Form E) – (SAE J3027) – Ambulance Litter Integrity, Retention and Patient Restraint must be provided where the states or end users request it. The Cot Fastener Assembly shall be bid as an option by the contractor (Form E).

Note: Bidder is encouraged to list chassis credits (where applicable) on **Form E**.

Option and Accessory Categories

- Emergency Lighting & Light Bars
- Audible Warning Devices
- Bumpers, Guards & Trim
- Cab/chassis Options & Accessories
- Electrical Options & Accessories
- Operator Control Panel Options & Accessories
- Patient Module Exterior/Construction Options & Accessories
- Patient Module Interior Options & Accessories
- Patient Module Window Options
- Patient Transport/Restraint Options & Accessories

Note: All priced options (Form E) may be offered for separate purchase to End Users. Individual purchase orders for these options cannot exceed \$50,000.00 (H-GACBuy Fee – 1.5%)

17. REMOUNT SERVICES ONLY

Remount Services have been added to **Form D** as a base bid line item. Bid pricing for this service shall include the cost of removing an existing body and reinstalling it on a different chassis, **only**. This service would apply where the chassis was supplied by the end user.

Note: Remounting Services are to be performed by an authorized dealer/remounter. Any specific certifications or warranties that may be requested by an end user regarding remounts is the end users responsibility and shall be negotiated between the end user and the supplier/contractor when services are quoted.

18. REMOUNT ON CONTRACTOR SUPPLIED CHASSIS

Remounts on Contractor Supplied Chassis have been added to **Form D** as a base bid line item. Bid pricing for this line item shall include the cost of the chassis plus the removal and reinstallation of the body, **only**.

Note: Remounting Services are to be performed by an authorized dealer/remounter. Any specific certifications or warranties that may be requested by an end user regarding remounts is the end users responsibility and shall be negotiated between the end user and the supplier/contractor when services are quoted.

19. REFURBISHED SERVICES

Refurbishing parts/services are to be bid as published options on **Form E**. These published options are available for purchase by members separately and independently from associated base line items. The cost cannot exceed \$50,000.00. If quoting refurbishing services where the price exceeds \$50,000.00, it must be tied to a base bid line item (Remounts) listed on **Form D**.

20. OPTIONS & ACCESSORIES FOR VEHICLES OTHER THAN AMBULANCES

Offeror shall quote a wide variety of upgrades and accessories to insure that End Users may be able to configure any purchased vehicle to meet their requirements.

21. REQUIREMENTS FOR EQUIPMENT OTHER THAN AMBULANCES

Equipment other than ambulances shall be built to standard published OEM specifications for the specific equipment offered, and must meet the requirements of any applicable federal (FMVSS), state (TxDOT) or local law or regulation. All emergency vehicles, chassis, modular body equipment, devices, accessories, and electronic equipment delivered under this contract shall carry the manufacturers' standard warranty for a minimum of 1 year against defects in materials, workmanship and performance.

22. COMPETITIVE PRICING

By submission of a response, **Offeror** certifies that offered pricing is as good as or better than pricing offered to local government customers individually or thru any other program under normal circumstances. If such is not the case, **Offeror** shall explain how offered pricing differs from "best" pricing, and by how much.

23. RESCUE UNITS

Units not having firefighting capabilities (water tanks or pressurized foam tanks) shall be in accordance with the latest revision of NFPA 1901. The rescue vehicle, chassis rescue body, equipment, rescue accessories and electronic equipment to be delivered under this contract shall be standard commercial products, tested and certified to meet this specification. The vehicle shall comply with all Federal Motor Vehicle Safety Standards (FMVSS) and United States regulations applicable or specified for the year of manufacturer.

24. RESCUE/FIRE/EMS VESSELS

Boats outfitted for fire suppression, on-water rescue, scuba diver deployment, patrol & surveillance duties. These vessels meet the applicable standards and guidelines as provided by the following: US Coast Guard, ABS (American Bureau of Shipping), NFPA and ABYC (American Boat & Yacht Council).

25. EVALUATIONS AND AWARDS

Bids will be evaluated by H-GAC Staff in compliance with stated requirements. Contracts will be awarded to the "lowest responsive responsible Bidder(s) providing best value" for each base line item offered. A minimum threshold score of **70 points** will be required before a contract may be offered.

PRICING – An analysis of Bidder's submitted bid price will be conducted for each base line item using **Form D** and **Form E**. Bidders with the lowest total price for each line item will receive a **maximum score of 70 points**, the next lowest, **69**, et cetera.

PAST PERFORMANCE – An evaluation will be conducted of the Bidder's previous contract performance as an HGACBuy contractor based on the performance measured listed below. **Maximum score is 25 points**.

PERFORMANCE MEASURES
Timely response to request for information and/or request for quotes/pricing (Sec A, 48b)
Accurate preparation of Contract Pricing Worksheet(s) (Sec A 48e)
Timely delivery of product or services (as quoted at time of order placement) (Sec A, 25c)
Quality of products/service (Sec A, 25d, 44f)
Timely and accurate submission of Contractor's Activity Report (Sec A, 48h)

Timely payment of order processing charge (Sec A, 44g, 44h)

NOTE: For **Joint Bids**, each Form A submitted in the Bidders response will be scored per the above criteria and an overall average will be taken of all Form A's submitted to determine the Performance score for each submission.

Requests for a debriefing must be made in writing to jpalmer@h-gac.com within 5 days of board approval. H-GAC reserves the right to not conduct debriefing if the requests are made after that time. This procedure is NOT available to Respondents who did not participate in selected ITBs or RFPs, to non-responsive or non-timely Respondents/bidders, or when all proposals/bids are rejected.

MARKETING PLAN (Form H) – Bidder shall provide a written narrative explaining in some detail activities that will be undertaken to actively market and promote an H-GAC contract to local government and non-profit End Users. Plan may include items such as types of media to be used, frequency of outreach campaigns or designated staff resources assigned to such tasks. **Maximum score is 5 points.**

Specifications prepared by
**Houston-Galveston Area Council
Cooperative Purchasing Program**

This is the end of the Section B



SECTION C - H-GAC FORMS

(Rev 12/02/09)

For Use In Responding To Competitive Bid And Proposal Invitations

Invitation No.: AM10-20

Title: Ambulances, EMS & Other Special Service Vehicles

This Section contains the following **H-GAC FORMS**.

FORM	DESCRIPTION
Form A:	Offeror Identification and Authorized Signatory
Form B:	Historically Underutilized Business Enterprises
Form C:	Response Checklist
Form D:	Offered Items Pricing
Form E:	Published Options
Form-H	Marketing Plan
Form W-9	Request for Taxpayer Identification Number and Certification
Form CIQ	Conflict of Interest Questionnaire
Form 1295	Certificate of Interested Parties
HB 89	Prohibition on Contracts with Companies Boycotting Israel
CCI	Contractor Contact Information

These *FORMS* are hereby made available in electronic format. They should be copied to Offeror's computer for completion and/or printout as required. The *FORMS* **may not** be changed or altered in any way, except as may be specified on the *FORM*.

ALL completed *FORMS* must also be submitted electronically on electronic media (flash/thumb drive), excepting of course for signatures. **The printed "Original" of the response will be considered as the official copy in case of any discrepancy between the electronic version and the printed Original.**

FORM A - OFFEROR IDENTIFICATION & AUTHORIZED SIGNATORY
(DO NOT *handwrite this Form. Information must be typed in.* **)**

Invitation No.: AM10-20

Invitation Title: Ambulances, EMS & Other Special Service Vehicles

Offeror Company: _____

(Legal name of business which will appear on contract, if awarded)

Offeror Status: **Manufacturer** **Dealer/Distributor** **Other**Response Type(1): **Single Offeror Acting Alone Or As Lead** **Multiple Offerors Acting Jointly**

Contract Signatory(2): _____

Title: _____

Mailing Address(3): _____

Street/PO Box

City

State & Zip

Physical Address: _____

Street

City

State & Zip

Phone: _____

Fax: _____

Email Address: _____

Federal Tax ID No.: _____

Web Page URL: _____

(1) If Joint Offering, all parties must submit a signed Form A. A contract will be offered to each.

(2) Person who will sign final contract documents if an award is made.

(3) Address to which final contract documents would be sent for signature.

Member Contact Information

Contact Person(4): _____

Title: _____

Mailing Address: _____

Street/PO Box

City

State & Zip

Physical Address: _____

Street

City

State & Zip

Toll Free Phone: _____

Fax: _____

Email Address: _____

(4) Person who End Users will contact for product information and to get pricing quotes.

The Signatory below, on behalf of Offeror:

- Acknowledges having thoroughly reviewed the Invitation;
- Attests to having the authority to sign this response and commit Offeror to honor all requirements;
- Makes, under penalty of perjury, all required Offeror Certifications as detailed in General Terms;
- Certifies that all information provided in this Response is true and correct.

Signature: _____

Title: _____

Printed Name: _____

Date: _____

FORM B - HISTORICALLY UNDERUTILIZED BUSINESS ENTERPRISES	Procurement No.: AM10-20
---	---------------------------------

Title: Ambulances, EMS & Other Special Service Vehicles

Offeror: _____

Most, if not all, of the Members of HGACBuy are subject to various requirements relative to purchasing goods and services from Historically Underutilized Business Enterprises (HUBs)(See Note 1). These requirements are promulgated by federal and state governmental authorities, and include measurable criteria such as 'percentage of total dollars spent directed to HUBs', 'number of HUB contractors used', 'HUB subcontractors employed by primary contractors', etc. These requirements are generally formalized in goal oriented programs.

HGACBuy is committed to promoting full and equal business opportunities for HUB contractors, and to assisting Cooperative Purchasing Program (COOP) Members in meeting mandated HUB goals. In that regard, Contractor shall make a good faith effort to use the services of Certified/Listed (See Note 2) HUBs whenever possible.

As part of a good faith effort, Contractor agrees to work with and assist HGACBuy Members in meeting HUB targets and goals, as may be required by any rules, processes or programs they might have in place. Such assistance may include such things as compliance with reporting requirements, provision of documentation, consideration of 'Certified/Listed' subcontractors, provision of documented evidence that an active participatory role for a HUB entity was considered in a procurement transaction, etc.

Note 1: There are many designations other than "HUB" used across the country within various jurisdictions. Examples include terms such as Disadvantaged Business Enterprise (DBE), Minority Owned Business Enterprise (MBE), Woman Owned Business Enterprise (WBE), Small Disadvantaged Business (SDB), Small, Woman or Minority-owned Business (SWAM), etc. Regardless of the formal designation, the overall objective of the relevant programs is basically the same, i.e. to insure that disadvantaged and underutilized members of the business community receive a fair share of public spending. The term HUB as used herein shall be understood to encompass all such programs/business enterprises, no matter what terminology is used by the Member.

Note 2: The terms "Certified" and "Listed" as used in conjunction with HUB programs relate to the process of HUB qualification review. Jurisdictions usually require that companies claiming HUB status be reviewed and confirmed as meeting certain minimum requirements to claim that status, and that the review and confirmation process be carried out by certain designated entities. They are then "Certified" or "Listed" by having their name included on an official listing published by the Certifying or Listing Authority.

Accepted and Agreed By:	
Title:	Date:

HUB Status Of Offeror	
<input type="checkbox"/> Offeror is a HUB, as detailed below.	<input type="checkbox"/> Offeror is not a HUB.
Designation(s): <input type="checkbox"/> HUB <input type="checkbox"/> DBE <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input style="width: 100px;" type="text"/>	
Certifying/Listing Authority(s): <input style="width: 100%;" type="text"/>	
Subcontracts	
On a separate sheet, list any subcontractors that would be employed in providing products or services related to this procurement. Include subcontractor name, designation (HUB, DBE, etc.) and certifying/listing authority.	
<input type="checkbox"/> Subcontractor List attached.	<input type="checkbox"/> No Subcontractors will be used.

FORM C - RESPONSE CHECKLIST		AM10-20
<p>Title: Ambulances, EMS & Other Special Service Vehicles</p> <p>Offeror: _____</p>		
<p>This <i>FORM</i> is provided to help insure that all required Response elements have been completed and included, or certified as being available upon request. Responses that do not comply with all requirements may be considered non-compliant. Offeror's signatory must review each item below, and certify by initialing in the space to the right.</p>		
This Response Includes:	Init.	
1 A copy of the COMPLETE submission, including all required <i>FORMS</i> , in electronic format		
2 An originally signed Form A from all entities who are party to this submission and who should be offered a contract if this submission is successful.		
3 The required list of References .		
4 Details of " Service Organization ", including locations, hours, personnel and parts/service availability. (Applies to hard goods only.)		
5 Complete Warranty Documentation for all Products offered.		
6 The manufacturer's latest Specification Documents detailing standard features, operating characteristics, etc., for all products offered. Note: Bidder shall supply a spec/quote sheet for each product code bid on Form D. These sheets should detail what features are included in the price quoted on Form D.		
7 Forms A, B, C, D, E, G, H, (EXCEL FORMAT) , 1295, W-9, CIQ, HB89, CCI. A 1295, W-9, CIQ, HB89 & CCI form shall be provided from each entity that has submitted a Form A for this submission.		
8 If the Non-Resident Reciprocal Bid Act applies, a copy of your state statute and a determination of the status of Texas bidders/proposers in your home state. If not applicable, indicate "N/A"		
9 If offer includes motor vehicles to be sold in Texas, copies of all current licenses as required by the Texas Motor Vehicle Commission.		

FORM D - OFFERED ITEMS PRICING					
INSTRUCTIONS: Fill in unshaded areas. Complete one line for each product code. Add lines as needed. Shaded columns for H-GAC use only.					
Offeror Name:					
Contract	Manufacturer	Vendor	Product Code	Description	Price
A. American Emergency Vehicles					
A. Ambulance					
AM10-20	American Emergency Vehicles		AM20AA01	TYPE I, FORD F350 TRAUMAHAWK DR92	
AM10-20	American Emergency Vehicles		AM20AA02	TYPE I, FORD F350 TRAUMAHAWK 148"	
AM10-20	American Emergency Vehicles		AM20AA03	TYPE I, FORD F450 TRAUMAHAWK 172"	
AM10-20	American Emergency Vehicles		AM20AA04	TYPE I, FORD F550 TRAUMAHAWK 172"	
AM10-20	American Emergency Vehicles		AM20AA05	TYPE I, DODGE RAM 4500 TRAUMAHAWK	
AM10-20	American Emergency Vehicles		AM20AA06	TYPE I, DODGE RAM 5500 TRAUMAHAWK	
AM10-20	American Emergency Vehicles		AM20AA07	TYPE II SPRINTER FLEXVAN T-VERSE 02	
AM10-20	American Emergency Vehicles		AM20AA08	TYPE II SPRINTER T-VERSE 02	
AM10-20	American Emergency Vehicles		AM20AA09	TYPE II SPRINTER 4X4 FLEXVAN REAR HORIZONTAL 02	
AM10-20	American Emergency Vehicles		AM20AA10	TYPE II SPRINTER 4X4 REAR HORIZONTAL 02	
AM10-20	American Emergency Vehicles		AM20AA11	TYPE II SPRINTER VERTICAL 02	
AM10-20	American Emergency Vehicles		AM20AA12	TYPE II TRANSIT SILVER MED ROOF (GAS)	
AM10-20	American Emergency Vehicles		AM20AA13	TYPE II TRANSIT SILVER MED ROOF (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA14	TYPE II TRANSIT MED ROOF PLATINUM (GAS)	
AM10-20	American Emergency Vehicles		AM20AA15	TYPE II TRANSIT MED ROOF PLATINUM (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA16	TYPE II TRANSIT HIGH ROOF FLEX (GAS)	
AM10-20	American Emergency Vehicles		AM20AA17	TYPE II TRANSIT HIGH ROOF FLEX (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA18	TYPE II TRANSIT HIGH ROOF PLATINUM (GAS)	
AM10-20	American Emergency Vehicles		AM20AA19	TYPE II TRANSIT HIGH ROOF PLATINUM (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA20	TYPE II TRANSIT MED ROOF GOLD (GAS)	
AM10-20	American Emergency Vehicles		AM20AA21	TYPE II TRANSIT MED ROOF GOLD (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA22	TYPE II TRANSIT HIGH ROOF GOLD (GAS)	
AM10-20	American Emergency Vehicles		AM20AA23	TYPE II TRANSIT HIGH ROOF GOLD (DIESEL)	
AM10-20	American Emergency Vehicles		AM20AA24	TYPE III, SPRINTER DR86	
AM10-20	American Emergency Vehicles		AM20AA25	TYPE III, FORD E350 (GAS) TRAUMAHAWK DR92	
AM10-20	American Emergency Vehicles		AM20AA26	TYPE III, FORD E350 (GAS) TRAUMAHAWK 148"	
AM10-20	American Emergency Vehicles		AM20AA27	TYPE III, FORD E450 (GAS) TRAUMAHAWK 164"	
AM10-20	American Emergency Vehicles		AM20AA28	TYPE III, FORD E450 (GAS) TRAUMAHAWK Z-5 164"	
AM10-20	American Emergency Vehicles		AM20AA29	TYPE III, FORD E350 FLEETHAWK	
AM10-20	American Emergency Vehicles		AM20AA30	TYPE I, GM/CHEVROLET C4500 148"	
AM10-20	American Emergency Vehicles		AM20AA31	TYPE I, GM/CHEVROLET C4500 154"	
AM10-20	American Emergency Vehicles		AM20AA32	TYPE I, GM/CHEVROLET C4500 172"	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					

AM10-20	American Emergency Vehicles		AM20AE01	GM G3500 (GAS) TYPE III BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE02	GM G4500 (GAS) TYPE III BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE03	FORD E350 GAS TYPE III BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE04	FORD E450 GAS TYPE III BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE05	FORD F350 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE06	FORD F450 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE07	FORD F550 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE08	DODGE RAM 4500 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE09	DODGE RAM 5500 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	American Emergency Vehicles		AM20AE10	GM/CHEVROLET C4500 4X2 TYPE I BASE AMBULANCE REMOUNT	
B. Braun					
A. Ambulance					
AM10-20	Braun		AM20BA01	Express Plus Type I: Ford F-350 4x2 / 169" Wheelbase / 72" Headroom / 150"L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA02	Express Plus Type I: Ford F-450 4x2 / 169" Wheelbase / 72" Headroom / 150"L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA03	Express Plus Type I: Dodge Ram R-4500 4x2 / 168.5" Wheelbase / 72" Headroom / 150"L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA04	Express Plus Type I: Chevy 4500HD 4x2 / 165"WB / 72"HR/150"L Full Seam	
AM10-20	Braun		AM20BA05	Express Type III: Ford E-350 4x2 / 138" Wheelbase / 68" Headroom / 144"L Full Seam Welded Module - Sliding Side Door / Gas	
AM10-20	Braun		AM20BA06	Express Type I: Ford F350 4x2 / 169" Wheelbase / 68" Headroom / 144"L Full Seam Welded Module - Sliding Side Door / Diesel / F350 No Air Ride	
AM10-20	Braun		AM20BA07	Express Type III: Chevy G-3500 4x2 / 139" Wheelbase / 68" Headroom / 144"L Full Seam Welded Module - Sliding Side Door / Gas	
AM10-20	Braun		AM20BA08	Signature Series Type I: Ford F-350 4x2 / 169" Wheelbase / 68" Headroom / 150" L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA09	Signature Series Type III: Ford E-350 4x2 / 138" Wheelbase / 68" Headroom / 150" L Full Seam Welded Module - Sliding Door / Gas	
AM10-20	Braun		AM20BA10	Signature Series Type III: Chevy G-3500 4x2 / 139" Wheelbase / 68" Headroom / 150"L Full Seam Welded Module - Sliding Side Door / Gas	
AM10-20	Braun		AM20BA11	Liberty Type I: Ford F-450 4x2 / 169" Wheelbase / 72" Headroom / 156" L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA12	Liberty Type I: Chevy 4500HD 4x2 / 165" Wheelbase / 72" Headroom / 156" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA13	Liberty Type I: International CV4500 4x2 / 165" Wheelbase / 72" Headroom / 156" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA14	Liberty Type I: Ram 4500 4x2 / 168.5" Wheelbase / 72" Headroom / 156" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA15	Chief XL Type I: Ford F-450 4x2 / 193" Wheelbase / 72" Headroom / 169"L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA16	Chief XL Type I: Ford F-550 4x2 / 193" Wheelbase / 72" Headroom / 169"L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA17	Chief XL Type I: Chevy 5500 4x2 / 189" Wheelbase / 72" Headroom / 169" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA18	Chief XL Type I: International CV5500 4x2 / 189" Wheelbase / 72" Headroom / 169" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA19	Chief XL Type I: Ram 5500 4x2 / 192" Wheelbase / 72" Headroom / 169" L Full Seam Welded Module-Sliding Side Door/ Diesel	
AM10-20	Braun		AM20BA20	Chief XL Type III: Ford E-450 4x2 / 158" Wheelbase / 72" Headroom / 169"L Full Seam Welded Module - Sliding Side Door / Gas	
AM10-20	Braun		AM20BA21	Chief XL Type III: Chevy G-4500 / 159" Wheelbase / 72" Headroom / 169" L Full Seam Welded Module - Sliding Side Door / Gas	
AM10-20	Braun		AM20BA22	Super Chief Type I: Ford F-650 4x2 / 182" Wheelbase / 73.5" Headroom / 170" Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA23	Super Chief Type I: International MV607 4x2 / 175" Wheelbase / 73.5" Headroom / 170" L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA24	Super Chief Type I: Freightliner M2 4x2 / 174" Wheelbase / 73.5" Headroom / 170" L Full Seam Welded Module - Sliding Side Door / Diesel	
AM10-20	Braun		AM20BA25	TLC Type I: Freightliner M2 Crew Cab 4x2 / 234" Wheelbase / 73.5" Headroom / 191" L Full Seam Welded Module-Sliding Door/Diesel	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Braun		AM20BE01	Remount on Chassis Value Package - Chief/Chief XL Ford E450 Gas Chassis Type III	

AM10-20	Braun		AM20BE02	Remount on Chassis Value Package - Chief/Chief XL Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE03	Remount on Chassis Value Package - Chief/Chief XL Chevy G4500 Gas Chassis Type III
AM10-20	Braun		AM20BE04	Remount on Chassis Select Package - Chief/Chief XL Ford E450 Gas Chassis Type III
AM10-20	Braun		AM20BE05	Remount on Chassis Select Package - Chief/Chief XL Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE06	Remount on Chassis Select Package - Chief/Chief XL Chevy G4500 Gas Chassis Type III
AM10-20	Braun		AM20BE07	Remount on Chassis Prestige Package - Chief/Chief XL Ford E450 Gas Chassis Type III
AM10-20	Braun		AM20BE08	Remount on Chassis Prestige Package - Chief/Chief XL Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE09	Remount on Chassis Prestige Package - Chief/Chief XL Chevy G4500 Gas Chassis Type III
AM10-20	Braun		AM20BE10	Remount on Chassis Value Package - Express Module Ford E350 Gas Chassis Type III
AM10-20	Braun		AM20BE11	Remount on Chassis Value Package - Express Module Ford F350 Diesel Chassis Type I
AM10-20	Braun		AM20BE12	Remount on Chassis Value Package - Express Module Chevy G3500 Gas Chassis Type III
AM10-20	Braun		AM20BE13	Remount on Chassis Select Package - Express Module Ford E350 Gas Chassis Type III
AM10-20	Braun		AM20BE14	Remount on Chassis Select Package - Express Module Ford F350 Diesel Chassis Type I
AM10-20	Braun		AM20BE15	Remount on Chassis Select Package - Express Module Chevy G3500 Gas Chassis Type III
AM10-20	Braun		AM20BE16	Remount on Chassis Prestige Package - Express Module Ford E350 Gas Chassis Type III
AM10-20	Braun		AM20BE17	Remount on Chassis Prestige Package - Express Module Ford F350 Diesel Chassis Type I
AM10-20	Braun		AM20BE18	Remount on Chassis Prestige Package - Express Module Chevy G3500 Gas Chassis Type III
AM10-20	Braun		AM20BE19	Remount on Chassis Value Package - Raider Module Ford E450 Gas Chassis Type III
AM10-20	Braun		AM20BE20	Remount on Chassis Value Package - Raider Module Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE21	Remount on Chassis Value Package - Raider Module Chevy G3500 Gas Chassis Type III
AM10-20	Braun		AM20BE22	Remount on Chassis Select Package - Raider Module Ford E350 Gas Chassis Type III
AM10-20	Braun		AM20BE23	Remount on Chassis Select Package - Raider Module Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE24	Remount on Chassis Select Package - Raider Module Chevy G3500 Gas Chassis Type III
AM10-20	Braun		AM20BE25	Remount on Chassis Prestige Package - Raider Module Ford E350 Gas Chassis Type III
AM10-20	Braun		AM20BE26	Remount on Chassis Prestige Package - Raider Module Ford F450 Diesel Chassis Type I
AM10-20	Braun		AM20BE27	Remount on Chassis Prestige Package - Raider Module Chevy G3500 Gas Chassis Type III
C. Braun Northwest				
A. Ambulance				
AM10-20	Braun Northwest		AM20CA01	North Star - Type 1 - Ford F350 4x4 - Diesel Engine - 147"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA02	North Star - Type 1 - Ford F350 4x4 - Diesel Engine - 155"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA03	North Star - Type 1 - RAM 3500 4x4 - Diesel Engine - 147"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA04	North Star - Type 1 - GMC K3500 4x4 - Diesel Engine - 147"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA05	North Star - Type 1 - GMC 4500HD 4x4 - Diesel Engine - 167"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA06	North Star - Type 1 - Ford F450 4x4 - Diesel Engine - 147"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA07	North Star - Type 1 - Ford F450 4x4 - Diesel Engine - 167"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA08	North Star - Type 1 - RAM 4500 4x4 - Diesel Engine - 167"L x 94"W x 72" HR
AM10-20	Braun Northwest		AM20CA09	North Star - Type 1 - Medium Duty - Ford F650 4x2 - Diesel Engine - 167"L x 96"W x 72" HR
AM10-20	Braun Northwest		AM20CA10	North Star - Type 1 Medium Duty - International - Diesel Engine - 167"L x 96"W x 72" HR
AM10-20	Braun Northwest		AM20CA11	North Star - Type 1 Medium Duty - Freightliner - Diesel Engine - 167"L x 96"W x 72" HR

AM10-20	Braun Northwest		AM20CA12	North Star - Type 2 - MB Sprinter Van	
AM10-20	Braun Northwest		AM20CA13	North Star - Type 2 - Promaster Van	
AM10-20	Braun Northwest		AM20CA14	North Star - Type 2 - Ford Transit	
AM10-20	Braun Northwest		AM20CA15	North Star - Type 3 - Ford E350 - Gas Engine - 147"L x 94"W x 72" HR	
AM10-20	Braun Northwest		AM20CA16	North Star - Type 3 - GMC G3500 - Gas Engine - 147"L x 94"W x 72" HR	
AM10-20	Braun Northwest		AM20CA17	North Star - Type 3 - Ford E450 - Gas Engine - 167"L x 94"W x 72" HR	
AM10-20	Braun Northwest		AM20CA18	North Star - Type 3 - GMC G4500 - Gas Engine - 167"L x 94"W x 72" HR	
B. Light/Medium Rescue Vehicle					
AM10-20	Braun Northwest		AM20CB01	North Star - Fire Rescue - Ford F550 4x4 Crew Cab - Diesel Engine - 116"L x 94"W	
AM10-20	Braun Northwest		AM20CB02	North Star - Fire Rescue - Ford F550 4x4 Regular Cab - Diesel Engine - 116"L x 94"W	
AM10-20	Braun Northwest		AM20CB03	North Star - Fire Rescue - RAM 5500 4x4 Crew Cab - Diesel Engine - 116"L x 94"W	
AM10-20	Braun Northwest		AM20CB04	North Star - Fire Rescue - RAM 5500 4x4 Regular Cab - Diesel Engine - 116"L x 94"W	
AM10-20	Braun Northwest		AM20CB05	North Star - Fire Rescue - Ford F550 4x4 Crew Cab - Diesel Engine - 147"L x 94"W	
AM10-20	Braun Northwest		AM20CB06	North Star - Fire Rescue - Ford F550 4x4 Regular Cab - Diesel Engine - 147"L x 94"W	
AM10-20	Braun Northwest		AM20CB07	North Star - Fire Rescue - RAM 5500 4x4 Crew Cab - Diesel Engine - 147"L x 94"W	
AM10-20	Braun Northwest		AM20CB08	North Star - Fire Rescue - RAM 5500 4x4 Regular Cab - Diesel Engine - 147"L x 94"W	
AM10-20	Braun Northwest		AM20CB09	North Star - Fire Rescue - Ford F550 4x4 Regular Cab - Diesel Engine - 167"L x 94"W	
AM10-20	Braun Northwest		AM20CB10	North Star - Fire Rescue - RAM 5500 4x4 Regular Cab - Diesel Engine - 167"L x 94"W	
AM10-20	Braun Northwest		AM20CB11	North Star - Fire Rescue - Ford F550 4x4 Regular Cab - Diesel Engine - 192"L x 94"W	
AM10-20	Braun Northwest		AM20CB12	North Star - Fire Rescue - RAM 5500 4x4 Regular Cab - Diesel Engine - 192"L x 94"W	
C. Other Specialty Vehicle or Equipment					
AM10-20	Braun Northwest		AM20CC01	North Star - Prisoner Transport - Ford E350 - Gas Engine - 138"L x 94"W x 57.875"HR	
AM10-20	Braun Northwest		AM20CC02	North Star - Prisoner Transport - Ford F350 4x4 - Diesel Engine - 143"L x 94"W x 57.75"HR	
AM10-20	Braun Northwest		AM20CC03	North Star - Prisoner Transport - Ford F450 4x2 Regular Cab - Diesel Engine - 191"L x 94"W x 72.875"HR	
AM10-20	Braun Northwest		AM20CC04	North Star - Prisoner Transport - Ford F550 4x2 - Regular Cab - Diesel Engine - 197"L x 94"W x 73" HR	
AM10-20	Braun Northwest		AM20CC05	North Star - Prisoner Transport - Freightliner 4x2 - Regular Cab - Diesel Engine - 197"L x 94" W x 73"HR	
AM10-20	Braun Northwest		AM20CC06	North Star - Prisoner Transport - Ford F650 4x2 - Super Cab - Diesel Engine - 197"L x 94" W x 73"HR	
AM10-20	Braun Northwest		AM20CC07	North Star - Prisoner Transport - RAM 4500 4x2 Regular Cab - 197"L x 94"W x 72 "HR	
AM10-20	Braun Northwest		AM20CC08	North Star - EOD Command - Ford F550 4x4 - Regular Cab - Diesel Engine - 191"L x 94" W x 80" HR	
AM10-20	Braun Northwest		AM20CC09	North Star - EOD Command - International 4400 4x2 - Diesel Engine - 222"L x 100"W x 84"HR	
AM10-20	Braun Northwest		AM20CC10	North Star - SWAT Command - Ford F550 4x4 - Regular Cab - Diesel Engine - 192"L x 94" W x 78" HR	
AM10-20	Braun Northwest		AM20CC11	North Star - Hazardous Materials Command - Ford F550 4x4 - Regular Cab - Diesel Engine - 207"L x 94" W x 72" HR	
AM10-20	Braun Northwest		AM20CC12	North Star - Crime Scene Command - Ford F350 4x4 - Diesel Engine - 147"L x 94"W x 72"HR	
AM10-20	Braun Northwest		AM20CC13	North Star - Mobile Command - Ford F650 4x2 - Diesel Engine - 196"L x 94"W x 76"HR	
AM10-20	Braun Northwest		AM20CC14	North Star - Wildland Crew Body - 198"L x 98"W x 78" HR	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Braun Northwest		AM20CE01	North Star - Remount of Northstar Module	
AM10-20	Braun Northwest		AM20CE02	North Star - Remount of Northstar Module - Ford F350 4x4	
AM10-20	Braun Northwest		AM20CE03	North Star - Remount of Northstar Module - Ford F450 4x4	

AM10-20	Braun Northwest		AM20CE04	North Star - Remount of Northstar Module - Ford E350	
AM10-20	Braun Northwest		AM20CE05	North Star - Remount of Northstar Module - Ford E450	
AM10-20	Braun Northwest		AM20CE06	North Star - Remount of Northstar Module - GMC G3500	
AM10-20	Braun Northwest		AM20CE07	North Star - Remount of Northstar Module - GMC G4500	
AM10-20	Braun Northwest		AM20CE08	North Star - Remount of Northstar Module - GMC 4500HD 4x4	
AM10-20	Braun Northwest		AM20CE09	North Star - Remount of Northstar Module - RAM 3500 4x4	
AM10-20	Braun Northwest		AM20CE10	North Star - Remount of Northstar Module - RAM 4500 4x4	
AM10-20	Braun Northwest		AM20CE11	North Star - Remount of Northstar Module - International	
AM10-20	Braun Northwest		AM20CE12	North Star - Remount of Northstar Module - Freightliner	
AM10-20	Braun Northwest		AM20CE13	North Star - Remount of Northstar Module - Ford F650 4x2	
E. Demers					
A. Ambulance					
AM10-20	Demers		AM20EA01	Type I, MXP150E FORD V8 P-up F350 4x2, 150"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA02	Type I, MXP150E FORD V8 P-up F450 4x2, 150"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA03	Type I, MXP150E GM V8 P-up 4x2, 3500 150"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA04	Type I, MXP150E GM V8 P-up 4500 4x2, 150"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA05	Type I, MXP150E RAM P-up 4500 4x2, 150"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA06	Type I, MXP153E FORD V8 P-up F350 4x2, 153"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA07	Type I, MXP153E FORD V8 P-up F450 4x2, 153"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA08	Type I, MXP153E GM V8 P-up 4500 4x2, 153"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA09	Type I, MXP153E RAM P-up 4500 4x2, 153"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA10	Type I, MXP170E FORD V8 P-up F450 4x2, 170"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA11	Type I, MXP170E RAM V8 P-up 4500 4x2, 170"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA12	Type I, MXP170E RAM V8 P-up 5500 4x2, 170"L x 95"W x 72" HR Multiplex, Ecosmart, Autobost	
AM10-20	Demers		AM20EA13	Type I, MXP170E Freightliner M2 P-up 170"L x 95"W x 72"HR Multiplex, Heads up console, Autobost	
AM10-20	Demers		AM20EA14	Type II, EXE Mercedes Diesel Van Sprinter 2500 76"HR Multiplex, Heads up console, Aerodynamic roof design	
AM10-20	Demers		AM20EA15	Type II, EXE Mercedes Diesel Van AWD Sprinter 2500 76"HR Multiplex, Heads up console, Aerodynamic roof design	
AM10-20	Demers		AM20EA16	Type II, TSE Ford Transit Mid Height Roof Van Multiplex, Aerodynamic roof design	
AM10-20	Demers		AM20EA17	Type II, TSE Ford Transit AWD Mid Height Roof Van Multiplex, Aerodynamic roof design	
AM10-20	Demers		AM20EA18	Type III, MX151 FORD V8C/W E350 151"L x 88"W x 68"HR Multiplex, Heads up console, Autobost	
AM10-20	Demers		AM20EA19	Type III, MX152E Mercedes Diesel C/W Sprinter 3500, 152"L x 86"W x 72"HR	
AM10-20	Demers		AM20EA20	Type III, MX164 FORD V8C/W E350 164"L x 95"W x 72"HR Multiplex, Heads up console, Autobost	
AM10-20	Demers		AM20EA21	Type III, MX164 FORD V8 C/W E450 164"L x 95"W x 72"HR Multiplex, Heads up console, Ecosmart, Autobost	
AM10-20	Demers		AM20EA22	Type III, MX164 GM V8 C/W 4500 164"L x 95"W x 72" HR Multiplex, Heads up console, Ecosmart, Autobost	
AM10-20	Demers		AM20EA23	Type I, CCL150 Ford F350 150"L x 96"W x 68"H	
AM10-20	Demers		AM20EA24	Type I, CCL150 Ford F450 150"L x 96"W x 68"H	
AM10-20	Demers		AM20EA25	Type I, CCL150 GM 3500 150"L x 96"W x 68"H	
AM10-20	Demers		AM20EA26	Type I, CCL150 Dodge B4500 150"Lx96"Wx68"W	
AM10-20	Demers		AM20EA27	Type III, CCL150 Ford V8 C/W E350 150"L x 96"W x 68"H	

AM10-20	Demers		AM20EA28	Type III, CCL150 GM V8 C/W G3500 150"L x 96"W x 68"H
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)				
AM10-20	Demers		AM20EE01	Type III REMOUNT, MX160 Ford gas C/W E350 160"long x 95" wide x 68"HR
AM10-20	Demers		AM20EE02	Type III REMOUNT, MX160 GM gas C/W 3500 160"long x 95" wide x 68"HR
AM10-20	Demers		AM20EE03	Type III REMOUNT, MX144 Ford gas C/W E350 144"long x 89" wide x 64"HR
AM10-20	Demers		AM20EE04	Type III REMOUNT, MX144 GM gas C/W 3500 144"long x 89" wide x 64"HR
F. Excellence				
A. Ambulance				
AM10-20	Excellance		AM20FA01	GE-T1 Ford F350 4x2 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA02	GE T1 Ford F450 4x2 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA03	GE-T1 Ford F550 4x2 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA04	GE T1-L Ford F450 4x2 Type1-L Golden Eagle Diesel 172"L x 96"W x 69"HR
AM10-20	Excellance		AM20FA05	GE-T1-L Ford F550 4x2 Type1-L Golden Eagle Diesel 172"L x 96"W x 69"HR
AM10-20	Excellance		AM20FA06	GE-T1 Ford F350 4x4 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA07	GE T1 Ford F450 4x4 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA08	GE-T1 Ford F550 4x4 Type1 Golden Eagle Diesel 146L" x 96"W x 69"HR
AM10-20	Excellance		AM20FA09	GE T1-L Ford F450 4x4 Type1-L Golden Eagle Diesel 172"L x 96"W x 69"HR
AM10-20	Excellance		AM20FA10	GE-T1-L Ford F550 4x4 Type1-L Golden Eagle Diesel 172"L x 96"W x 69"HR
AM10-20	Excellance		AM20FA11	GE-T III Ford E350 Type III Golden Eagle Gas 146" x 96" x 69"HR
AM10-20	Excellance		AM20FA12	GE-T-III-L Ford E450 Type III-L Golden Eagle Gas 166" x 96" x 69"HR
AM10-20	Excellance		AM20FA13	GE-T-III GM G3500 Type III Golden Eagle Gas 146" x 96" x 69"HR
AM10-20	Excellance		AM20FA14	GE-T-III-L GM G4500 Type III-L Golden Eagle Gas 166" x 96" x 69"HR
AM10-20	Excellance		AM20FA15	GE-T-1 RAM 4500 4x2 Golden Eagle Diesel Type1 146" x 96" x 69"HR
AM10-20	Excellance		AM20FA16	GE-T-1 RAM 5500 4x2 Golden Eagle Diesel Type1 146" x 96" x 69"HR
AM10-20	Excellance		AM20FA17	GE-T-1 RAM 4500 4x4 Golden Eagle Diesel Type1 146" x 96" x 69"HR
AM10-20	Excellance		AM20FA18	GE-T-1-L RAM 4500 4x2 Golden Eagle Diesel Type1L 172" x 96" x 69"HR
AM10-20	Excellance		AM20FA19	GE-T-L-1 RAM 5500 4x2 Golden Eagle Diesel Type1L 172" x 96" x 69"HR
AM10-20	Excellance		AM20FA20	GE-T-L-1 RAM 4500 4x4 Golden Eagle Diesel Type1L 172" x 96" x 69"HR
AM10-20	Excellance		AM20FA21	GE-T-1-L RAM 5500 4x4 Golden Eagle Diesel Type1L 172" x 96" x 69"HR
AM10-20	Excellance		AM20FA22	GE-EHD International 4300 EHD Golden Eagle 166"L x 96"L x 72" HR
AM10-20	Excellance		AM20FA23	GE-EHD Freightliner M2 EHD Golden Eagle 166"L x 96"L x 72" HR
AM10-20	Excellance		AM20FA24	GE-EHD Ford F650 4x2 EHD Golden Eagle Diesel 172" x 96" x 72" HR
AM10-20	Excellance		AM20FA25	GE-TI Chevrolet C-3500 HD 4x2 Golden Eagle Diesel 146" x 96" x 69"
AM10-20	Excellance		AM20FA26	GE-TI Chevrolet C-3500 HD 4x4 Golden Eagle Diesel 146" x 96" x 69"
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)				
AM10-20	Excellance		AM20FE01	Base Remount Only Type1 Excellance
AM10-20	Excellance		AM20FE02	Base Remount TypeIII Excellance
AM10-20	Excellance		AM20FE03	Base Remount TypeIII-L Excellance
AM10-20	Excellance		AM20FE04	Base Remount Only EHD Excellance

AM10-20	Excellance		AM20FE05	Base Remount Ford F350 4x2 Type1 Diesel	
AM10-20	Excellance		AM20FE06	Base Remount Ford F450 4x2 Type1 Diesel	
AM10-20	Excellance		AM20FE07	Base Remount Ford F550 4x2 Type1 Diesel	
AM10-20	Excellance		AM20FE08	Base Remount Ford F350 4x4 Type1-L Diesel	
AM10-20	Excellance		AM20FE09	Base Remount Ford F450 4x2 Type1-L Diesel	
AM10-20	Excellance		AM20FE10	Base Remount Ford F550 4x2 Type1-L Diesel	
AM10-20	Excellance		AM20FE11	Base Remount Ford F450 4x4 Type1 Diesel	
AM10-20	Excellance		AM20FE12	Base Remount Ford F550 4x4 Type1 Diesel	
AM10-20	Excellance		AM20FE13	Base Remount Ford F450 4x4 Type1-L Diesel	
AM10-20	Excellance		AM20FE14	Base Remount Ford F550 4x4 Type1-L Diesel	
AM10-20	Excellance		AM20FE15	Base Remount Ford E350 Type III Gas	
AM10-20	Excellance		AM20FE16	Base Remount Ford E450 Type III Gas	
AM10-20	Excellance		AM20FE17	Base Remount GM G3500 Type III Gas	
AM10-20	Excellance		AM20FE18	Base Remount GM G4500 Type III Gas	
AM10-20	Excellance		AM20FE19	Base Remount RAM 4500 4x2 Diesel Type1	
AM10-20	Excellance		AM20FE20	Base Remount RAM 5500 4x2 Diesel Type1	
AM10-20	Excellance		AM20FE21	Base Remount RAM 4500 4x4 Diesel Type1	
AM10-20	Excellance		AM20FE22	Base Remount RAM 4500 4x4 Diesel Type1	
AM10-20	Excellance		AM20FE23	Base Remount RAM 4500 4x2 Diesel Type1L	
AM10-20	Excellance		AM20FE24	Base Remount RAM 5500 4x2 Diesel Type1L	
AM10-20	Excellance		AM20FE25	Base Remount RAM 4500 4x4 Diesel Type1L	
AM10-20	Excellance		AM20FE26	Base Remount RAM 5500 4x4 Diesel Type1L	
AM10-20	Excellance		AM20FE27	Base Remount International 4300 EHD	
AM10-20	Excellance		AM20FE28	Base Remount Freightliner M2 EHD	
G. FastLane Emergency Vehicles					
B. Light/Medium Rescue Vehicle					
AM10-20	FastLane Emergency Vehicles		AM20GB01	XMR-108-F450 Light Rescue, Ford F450, 9ft walk around body, 7-compartments w/ LED light package.	
AM10-20	FastLane Emergency Vehicles		AM20GB02	XMR-108-F550 Light Rescue, Ford F550, 9ft walk around body, 7-compartments w/ LED light package.	
AM10-20	FastLane Emergency Vehicles		AM20GB03	XMR-132-F550 Light Rescue, Ford F550, 11ft walk around body, 7-compartments w/ LED light package.	
AM10-20	FastLane Emergency Vehicles		AM20GB04	XMR-108-R450 Light Rescue, Dodge Ram 4500, 9ft walk around body, 7-compartments w/ LED light package.	
AM10-20	FastLane Emergency Vehicles		AM20GB05	XMR-108-R550 Light Rescue, Dodge Ram 5500, 9ft walk around body, 7-compartments w/ LED light package.	
AM10-20	FastLane Emergency Vehicles		AM20GB06	XMR-132-R550 Light Rescue, Dodge Ram 5500, 11ft walk around body, 7-compartments w/ LED light package.	
C. Other Specialty Vehicle or Equipment					
AM10-20	FastLane Emergency Vehicles		AM20GC01	FL-SUV-C-EEL Ford Expedition EL, Command Unit, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	FastLane Emergency Vehicles		AM20GC02	FL-SUV-C-EXP Ford Expedition, Command Unit, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	FastLane Emergency Vehicles		AM20GC03	FL-SUV-C-TAH Chevrolet Tahoe, Command Unit, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	FastLane Emergency Vehicles		AM20GC04	FL-SUV-C-SUB Chevrolet Suburban, Command Unit, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	FastLane Emergency Vehicles		AM20GC05	FL-SUV-E-EXE Ford Expedition EL, EMS Response Unit, Console, Rear Storage Cabinet, LED Lighting Package	
AM10-20	FastLane Emergency Vehicles		AM20GC06	FL-SUV-E-EXP Ford Expedition, EMS Response Unit, Console, Rear Storage Cabinet, LED Lighting Package	

AM10-20	FastLane Emergency Vehicles		AM20GC07	FL-SUV-E-TAH Chevrolet Tahoe, EMS Response Unit, Console, Rear Storage Cabinet, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC08	FL-SUV-E-SUB Chevrolet Suburban, EMS Response Unit, Console, Rear Storage Cabinet, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC09	FL-FPU-C Ford F350, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC10	FL-RPU-C Dodge Ram 3500, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC11	FL-CPU-C Chevrolet 3500, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC12	FL-FPU-R Ford F350, Response Unit, Console, Rear Cap Topper, Rear Slide Out Storage Unit, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC13	FL-RPU-R Dodge Ram 3500, Response Unit, Console, Rear Cap Topper, Rear Slide Out Storage Unit, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC14	FL-CPU-R Chevrolet 3500, Response Unit, Console, Rear Cap Topper, Rear Slide Out Storage Unit, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC15	FL-VAN-S-CSU Crime Scene Van, Sprinter 2500, Rear Finished Work Area with Cabinetry, Rear HVAC, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC16	FL-VAN-R-CSU Crime Scene Van, Ram ProMaster, Rear Finished Work Area with Cabinetry, Rear HVAC, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC17	FL-VAN-S-SUR Surveillance Van, Sprinter 2500, Rear Finished Work Area with Cabinetry, Rear HVAC, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC18	FL-VAN-R-SUR Surveillance Van, Ram ProMaster, Rear Finished Work Area with Cabinetry, Rear HVAC, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC19	FL-MARC-F350 Ford F350, Mobile Aluminum Remountable Command vehicle with LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC20	FL-MARC-C350 Chevrolet 3500, Mobile Aluminum Remountable Command Vehicle with LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC21	FL-MARC-R350 Ram 3500, Mobile Aluminum Remountable Command Vehicle with LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC22	FL-SIB-F350 Ford F350, Slide In Fiberglass Body Responder Unit, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC23	FL-SIB-C350 Chevrolet 3500, Slide In Fiberglass Body Responder Unit, LED Lighting Package
AM10-20	FastLane Emergency Vehicles		AM20GC24	FL-SIB-R350 Ram 3500, Slide In Fiberglass Body Responder Unit, LED Lighting Package

H. Frazer

C. Other Specialty Vehicle or Equipment

AM10-20	Frazer		AM20HC01	Urban Command Vehicle 9' on Chevy C2500 Gas 4x2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC02	Urban Command Vehicle 9' on Chevy C2500 Diesel 4x2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC03	Urban Command Vehicle 9' on Ford F-350 Diesel 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC04	Urban Command Vehicle 9' on Ford F-350 Diesel 4x2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC05	Urban Command Vehicle 9' on Ford F-350 Diesel 4x2 Super Cab w/ DRW
AM10-20	Frazer		AM20HC06	Urban Command Vehicle 9' on Ford F-350 Diesel 4x2 Super Cab w/ SRW
AM10-20	Frazer		AM20HC07	Urban Command Vehicle 9' on Ford F-350 Gas 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC08	Urban Command Vehicle 9' on Ford F-350 Gas 4x2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC09	Urban Command Vehicle 9' on Ford F-350 Gas 4x2 Super Cab w/ DRW
AM10-20	Frazer		AM20HC10	Urban Command Vehicle 9' on Ford F-350 Gas 4x2 Super Cab w/ SRW
AM10-20	Frazer		AM20HC11	Urban Command Vehicle 9' on Ford F-450 Diesel 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC12	Urban Command Vehicle 9' on Ford F-450 Diesel 4x2 Super Cab w/ DRW
AM10-20	Frazer		AM20HC13	Urban Command Vehicle 9' on RAM 3500 Gas 4X2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC14	Urban Command Vehicle 9' on RAM 3500 Diesel 4X2 Crew Cab w/ SRW
AM10-20	Frazer		AM20HC15	Urban Command Vehicle 9' on RAM 3500 Diesel 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC16	Urban Command Vehicle 9' on RAM 3500 Gas 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC17	Urban Command Vehicle 9' on RAM 4500 Diesel 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC18	Urban Command Vehicle 9' on RAM 4500 Gas 4x2 Crew Cab w/ DRW
AM10-20	Frazer		AM20HC19	Urban Command Vehicle 10' on Ford F-350 Diesel 4x2 Crew Cab w/ DRW

AM10-20	Frazer		AM20HC20	Urban Command Vehicle 10' on Ford F-350 Diesel 4x2 Super Cab w/ DRW	
AM10-20	Frazer		AM20HC21	Urban Command Vehicle 10' on Ford F-350 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC22	Urban Command Vehicle 10' on Ford F-350 Gas 4x2 Super Cab w/ DRW	
AM10-20	Frazer		AM20HC23	Urban Command Vehicle 10' on Ford F-450 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC24	Urban Command Vehicle 10' on Ford F-450 Diesel 4x2 Super Cab w/ DRW	
AM10-20	Frazer		AM20HC25	Urban Command Vehicle 10' on RAM 3500 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC26	Urban Command Vehicle 10' on RAM 3500 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC27	Urban Command Vehicle 10' on RAM 4500 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC28	Urban Command Vehicle 10' on RAM 4500 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HC29	Urban Command Vehicle 9' on Customer Provided Chassis	
AM10-20	Frazer		AM20HC30	Urban Command Vehicle 10' on Customer Provided Chassis	
AM10-20	Frazer		AM20HC31	Mobile Health or Command Vehicle 18' on International MV Diesel 4x2 Crew Cab	
AM10-20	Frazer		AM20HC32	Mobile Health or Command Vehicle 18' on Freightliner M2 Diesel 4x2 Crew Cab	
AM10-20	Frazer		AM20HC33	Mobile Stroke Unit 14' on International MV Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HC34	Mobile Stroke Unit 14' on Freightliner M2 Diesel 4x2 Crew Cab	
D. EMS Vehicle Conversion					
AM10-20	Frazer		AM20HD01	Type I 12' on Chevy C3500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD02	Type I 12' on Chevy C3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD03	Type I 14' on Chevy C4500 Diesel 4X2 Reg Cab	
AM10-20	Frazer		AM20HD04	Type I 12' on Ford F-350 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD05	Type I 12' on Ford F-350 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD06	Type I 12' on Ford F-450 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD07	Type I 12' on Ford F-450 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD08	Type I 12' on RAM 3500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD09	Type I 12' on RAM 3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD10	Type I 12' on RAM 4500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD11	Type I 12' on RAM 4500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD12	Type I 14' on Ford F-450 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD13	Type I 14' on Ford F-450 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD14	Type I 14' on Ford F-550 Diesel 4X2 Reg Cab	
AM10-20	Frazer		AM20HD15	Type I 14' on RAM 4500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD16	Type I 14' on RAM 4500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD17	Type I 14' on RAM 5500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD18	Type I 14' on RAM 5500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD19	Type I 14' on International MV Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD20	Type I 14' on Freightliner M2 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HD21	Type III 12' on Chevy G3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD22	Type III 12' on Ford E-350 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD23	Type III 14' on Chevy G4500 Gas 4x2 Reg Cab	

AM10-20	Frazer		AM20HD24	Type III 14' on Ford E-450 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HD25	Type I 12' on Customer Provided Chassis	
AM10-20	Frazer		AM20HD26	Type I 14' on Customer Provided Chassis	
AM10-20	Frazer		AM20HD27	Type III 12' on Customer Provided Chassis	
AM10-20	Frazer		AM20HD28	Type III 14' on Customer Provided Chassis	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Frazer		AM20HE01	Remount of 12' Module on Chevy C3500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE02	Remount of 12' Module on Chevy C3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE03	Remount of 14' Module on Chevy C4500 Diesel 4X2 Reg Cab	
AM10-20	Frazer		AM20HE04	Remount of 12' Module on Ford F-350 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE05	Remount of 12' on Ford F-350 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE06	Remount of 12' Module on Ford F-450 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE07	Remount of 12' on Ford F-450 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE08	Remount of 12' Module on RAM 3500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE09	Remount of 12' Module on RAM 3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE10	Remount of 12' Module on RAM 4500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE11	Remount of 12' Module on RAM 4500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE12	Remount of 14' Module on Ford F-450 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE13	Remount of 14' on Ford F-450 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE14	Remount of 14' Module on Ford F-550 Diesel 4X2 Reg Cab	
AM10-20	Frazer		AM20HE15	Remount of 14' Module on RAM 4500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE16	Remount of 14' Module on RAM 4500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE17	Remount of 14' Module on RAM 5500 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE18	Remount of 14' on RAM 5500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE19	Remount of 14' Module on International MV Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE20	Remount of 14' Module on Freightliner M2 Diesel 4x2 Reg Cab	
AM10-20	Frazer		AM20HE21	Remount of 12' Module on Chevy G3500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE22	Remount of 12' Module on Ford E-350 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE23	Remount of 14' Module on Chevy G4500 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE24	Remount of 14' Module on Ford E-450 Gas 4x2 Reg Cab	
AM10-20	Frazer		AM20HE25	Remount of Urban Command Vehicle on Chevy C2500 Diesel 4x2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE26	Remount of Urban Command Vehicle on Chevy C2500 Gas 4x2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE27	Remount of Urban Command Vehicle on Ford F-350 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE28	Remount of Urban Command Vehicle on Ford F-350 Diesel 4x2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE29	Remount of Urban Command Vehicle on Ford F-350 Diesel 4x2 Super Cab w/ DRW	
AM10-20	Frazer		AM20HE30	Remount of Urban Command Vehicle on Ford F-350 Diesel 4x2 Super Cab w/ SRW	
AM10-20	Frazer		AM20HE31	Remount of Urban Command Vehicle on Ford F-350 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE32	Remount of Urban Command Vehicle on Ford F-350 Gas 4x2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE33	Remount of Urban Command Vehicle on Ford F-350 Gas 4x2 Super Cab w/ DRW	

AM10-20	Frazer		AM20HE34	Remount of Urban Command Vehicle on Ford F-350 Gas 4x2 Super Cab w/ SRW	
AM10-20	Frazer		AM20HE35	Remount of Urban Command Vehicle on Ford F-450 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE36	Remount of Urban Command Vehicle on Ford F-450 Diesel 4x2 Super Cab w/ DRW	
AM10-20	Frazer		AM20HE37	Remount of Urban Command Vehicle on RAM 3500 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE38	Remount of Urban Command Vehicle on RAM 3500 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE39	Remount of Urban Command Vehicle on RAM 4500 Diesel 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE40	Remount of Urban Command Vehicle on RAM 4500 Gas 4x2 Crew Cab w/ DRW	
AM10-20	Frazer		AM20HE41	Remount of Urban Command Vehicle on RAM 3500 Gas 4X2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE42	Remount of Urban Command Vehicle on RAM 3500 Diesel 4X2 Crew Cab w/ SRW	
AM10-20	Frazer		AM20HE43	Remount of 12' Module on Customer Provided Chassis	
AM10-20	Frazer		AM20HE44	Remount of 14' Module on Customer Provided Chassis	
AM10-20	Frazer		AM20HE45	Remount of Urban Command Vehicle on Customer Provided Chassis	
I. Frontline Communications					
C. Other Specialty Vehicle or Equipment					
AM10-20	Frontline Communications		AM20IC01	C-17 Chevrolet Suburban-4x4	
AM10-20	Frontline Communications		AM20IC02	C-20 Ford Transit Rapid Response van	
AM10-20	Frontline Communications		AM20IC03	C-20 Ford Transit Rapid Response van 4x4	
AM10-20	Frontline Communications		AM20IC04	CRU-22-3 Transit 350 High Roof van - 9,500 GVWR	
AM10-20	Frontline Communications		AM20IC05	C-23 Sprinter Mobile Command/Communications van	
AM10-20	Frontline Communications		AM20IC06	C-24 Hostage Negotiations Vehicle Mercedes Sprinter 3500HC diesel van - 11030 GVWR	
AM10-20	Frontline Communications		AM20IC07	F-450 EOD, 4 Door, 4x4, 22' Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC08	F-550 2 Door Rescue, 10' Modular aluminum body	
AM10-20	Frontline Communications		AM20IC09	F-550 4 Door Rescue, 10' Modular aluminum body	
AM10-20	Frontline Communications		AM20IC10	F-550 2 Door Rescue, 12' Modular aluminum body	
AM10-20	Frontline Communications		AM20IC11	F-550 4 Door Rescue 12' Modular aluminum body	
AM10-20	Frontline Communications		AM20IC12	F-600 4 Door Rescue 12' Modular aluminum body	
AM10-20	Frontline Communications		AM20IC13	C-25 F-650 - 26,000 GVWR - 25 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC14	C-30 Freightliner M2-106 - 33,000 GVWR - 30 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC15	C-35 Rehab, Freightliner M2-106 - 33,000 GVWR - 35 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC16	C-33 SWAT, Ford F-750 - 26,000 GVWR, 33 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC17	C-35 Freightliner M2-106 - 33,000 GVWR - 35 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC18	C-35 CO2, Freightliner M2-106 - 33,000 GVWR - 35 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC19	C-35 Marine Rescue Freightliner M2-106 - 33,000 GVWR - 35 feet approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC20	C-40 Incident Support Freightliner M2-106 - 35,600 GVWR - 40 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC21	C-40 Freightliner M2-106 - 54,000 GVWR - 40 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC22	C-40 Rehab Freightliner M2-106 - 54,000 GVWR - 40 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC23	C-40 SWAT Freightliner M2-106 - 54,000 GVWR - 40 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC24	C-40 Arrow XT Command/Communications, 40 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC25	C-40 Velocity Command/Communications, 40 feet 9 inches approximate length - Modular aluminum body.	

AM10-20	Frontline Communications		AM20IC26	C-44 Freightliner M2-106 - 54,000 GVWR - 44 feet 9 inches approximate length - Modular aluminum body.	
AM10-20	Frontline Communications		AM20IC27	C-28SV Freightliner MT-55 - 25,500 GVWR, diesel chassis, 28 feet approximate length - Stepvan body.	
AM10-20	Frontline Communications		AM20IC28	C-36SV Freightliner MT-55 - 26,000 GVWR, diesel chassis, 36 feet approximate length - Stepvan body.	
AM10-20	Frontline Communications		AM20IC29	C-40SV Freightliner MT-55 - 30,000 GVWR, diesel chassis, 40 feet approximate length - Stepvan body.	
AM10-20	Frontline Communications		AM20IC30	C-20T Custom Trailer - 20 foot aluminum body,	
AM10-20	Frontline Communications		AM20IC31	C-28T Custom Trailer - 28 foot aluminum body,	
AM10-20	Frontline Communications		AM20IC32	C-35T Custom Trailer - 35 foot aluminum body,	
AM10-20	Frontline Communications		AM20IC33	C-42T Custom Trailer - 42 foot, Modular aluminum body	
AM10-20	Frontline Communications		AM20IC34	C-53T Custom Trailer, 53 body, Modular aluminum body	
AM10-20	Frontline Communications		AM20IC35	Command Refurb/Technology Refresh	
J. General Truck Body					
C. Other Specialty Vehicle or Equipment					
AM10-20	General Truck Body		AM20JC01	Rapid Response on Ford F150 Interceptor	
AM10-20	General Truck Body		AM20JC02	Rapid Response Unit on Ford F250	
AM10-20	General Truck Body		AM20JC03	Rapid Response Unit on Ram 2500	
AM10-20	General Truck Body		AM20JC04	Rapid Response Unit on Ford F350	
AM10-20	General Truck Body		AM20JC05	Rapid Response Unit on Ram 3500	
AM10-20	General Truck Body		AM20JC06	MERC Mobile Command Center on Ford F750	
AM10-20	General Truck Body		AM20JC07	MERC Crime Scene Unit on Ford E450	
AM10-20	General Truck Body		AM20JC08	HWR HD Ford F750 4x4 High Water rescue	
AM10-20	General Truck Body		AM20JC09	EVS COMMAND/RESCUE EXPEDITION SSV	
AM10-20	General Truck Body		AM20JC10	EVS COMMAND/RESCUE EXPLORER INTERCEPTOR AWD	
AM10-20	General Truck Body		AM20JC11	Rapid Response Truck on a Ford Transit Connect Chassis	
AM10-20	General Truck Body		AM20JC12	Rapid responst Unit on a Ford Transit	
AM10-20	General Truck Body		AM20JC13	Prisioner Transport on a Ford Transit Passenger Van	
AM10-20	General Truck Body		AM20JC14	Response Command Vehicle Ram 2500	
AM10-20	General Truck Body		AM20JC15	Response Command Vehicle on Ram 3500	
AM10-20	General Truck Body		AM20JC16	Rapid Response Vehicle 10FT, D5500,	
AM10-20	General Truck Body		AM20JC17	Mobile Command Vehicle 14FT, D-5500,	
AM10-20	General Truck Body		AM20JC18	Mobile Surveillance Unit 14FT, D-5500	
AM10-20	General Truck Body		AM20JC19	BATVAN, DUI Mobile Breath Analyzer Van, cells, Promaster LWB	
AM10-20	General Truck Body		AM20JC20	CSIU - Crime Scene Investigative Unit - . Promaster City	
AM10-20	General Truck Body		AM20JC21	CSIU - Crime Scene Investigative Unit - . D-3500	
AM10-20	General Truck Body		AM20JC22	Response Command Vehicle F250	
AM10-20	General Truck Body		AM20JC23	Response Command Vehicle on F350	
AM10-20	General Truck Body		AM20JC24	Rapid Response Vehicle 14FT, Ford E-450,	
AM10-20	General Truck Body		AM20JC25	Mobile Command Vehicle 16FT, Ford F-550,	
AM10-20	General Truck Body		AM20JC26	Mobile Command Vehicle 20ft, Ford F-650,	
AM10-20	General Truck Body		AM20JC27	Mobile Command Communications Vehicle 26FT, Ford F-750	

AM10-20	General Truck Body		AM20JC28	BATVAN, DUI Mobile Breath , Ford Transit LWB	
AM10-20	General Truck Body		AM20JC29	Rapid Response unit - . Ford Transit Connect	
AM10-20	General Truck Body		AM20JC30	Rapid Response on an F150 SSV	
AM10-20	General Truck Body		AM20JC31	CSIU - Crime Scene Investigative Unit - crime scene investigation equipment. Ford F350	
K. Horton					
A. Ambulance					
AM10-20	Horton		AM20KA01	TYPE I, FORD F350, MODEL 453	
AM10-20	Horton		AM20KA02	TYPE I, FORD F450, MODEL 453	
AM10-20	Horton		AM20KA03	TYPE I, DODGE RAM 4500, MODEL 453	
AM10-20	Horton		AM20KA04	TYPE I, FORD F450, MODEL 457	
AM10-20	Horton		AM20KA05	TYPE I, DODGE RAM 4500 457	
AM10-20	Horton		AM20KA06	TYPE I, FORD F450, MODEL 603	
AM10-20	Horton		AM20KA07	TYPE I, FORD F550, MODEL 603	
AM10-20	Horton		AM20KA08	TYPE I, DODGE RAM 4500 MODEL 603	
AM10-20	Horton		AM20KA09	TYPE I, DODGE RAM 5500 MODEL 603	
AM10-20	Horton		AM20KA10	TYPE I, FORD F450, MODEL 623	
AM10-20	Horton		AM20KA11	TYPE I, FORD F550, MODEL 623	
AM10-20	Horton		AM20KA12	TYPE I, DODGE RAM 4500 MODEL 623	
AM10-20	Horton		AM20KA13	TYPE I, DODGE RAM 5500 MODEL 623	
AM10-20	Horton		AM20KA14	TYPE I, NAVISTAR 4300 MODEL 623	
AM10-20	Horton		AM20KA15	TYPE I, FREIGHTLINER M2 MODEL 623	
AM10-20	Horton		AM20KA16	TYPE III, FORD E350 (GAS), MODEL 453	
AM10-20	Horton		AM20KA17	TYPE III, GM G3500 (GAS), MODEL 453	
AM10-20	Horton		AM20KA18	TYPE III, FORD E450 (GAS), MODEL 533	
AM10-20	Horton		AM20KA19	TYPE III, FORD E450 (GAS), MODEL 553	
AM10-20	Horton		AM20KA20	TYPE III, GM G4500 (GAS), MODEL 553	
AM10-20	Horton		AM20KA21	TYPE I, GM/CHEVROLET C4500 MODEL 453	
AM10-20	Horton		AM20KA22	TYPE I, GM/CHEVROLET C4500 MODEL 457	
AM10-20	Horton		AM20KA23	TYPE I, GM/CHEVROLET C4500 MODEL 603	
AM10-20	Horton		AM20KA24	TYPE I, GM/CHEVROLET C4500 MODEL 623	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Horton		AM20KE01	GM G3500 (GAS) TYPE III BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE02	GM G4500 (GAS)TYPE III BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE03	FORD E350 (GAS) TYPE III BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE04	FORD E450 (GAS) TYPE III BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE05	FORD F350 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE06	FORD F450 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE07	FORD F550 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE08	DODGE RAM 4500 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	

AM10-20	Horton		AM20KE09	DODGE RAM 5500 4X2 DIESEL TYPE I BASE AMBULANCE REMOUNT	
AM10-20	Horton		AM20KE10	GM/CHEVROLET C4500 4X2 TYPE I BASE AMBULANCE REMOUNT	
L. Lake Assault Boats					
AM10-20	Lake Assault Boats		AM20LC01	LAB 21' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC02	LAB 22' RHIB	
AM10-20	Lake Assault Boats		AM20LC03	LAB 24' V-hull	
AM10-20	Lake Assault Boats		AM20LC04	LAB 24' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC05	LAB 26' V-hull	
AM10-20	Lake Assault Boats		AM20LC06	LAB 26' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC07	LAB 28' V-hull	
AM10-20	Lake Assault Boats		AM20LC08	LAB 28' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC09	LAB 30' Catamaran	
AM10-20	Lake Assault Boats		AM20LC10	LAB 32' V-hull	
AM10-20	Lake Assault Boats		AM20LC11	LAB 32' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC12	LAB 36' V-hull	
AM10-20	Lake Assault Boats		AM20LC13	LAB 36' Landing Craft	
AM10-20	Lake Assault Boats		AM20LC14	LAB 36' Catamaran	
M. LDV					
C. Other Specialty Vehicle or Equipment					
AM10-20	LDV		AM20MC01	SS23EEQ-CC, 23' Equipment/EOD/SWAT/DIVE/MCC Vehicle on a 14,500lb GVWR cutaway van gas chassis with a 13' load space.	
AM10-20	LDV		AM20MC02	SS23RDV-CC, 23' Rapid Deployment Vehicle on a 14,500lb GVWR cutaway van gas chassis with a 13' load space.	
AM10-20	LDV		AM20MC03	SS28EEQ-SV, 28' Equipment/EOD/SWAT/DIVE/MCC Vehicle on a Freightliner MT-55 26,000-lb. GVWR diesel chassis with spring rear suspension hydraulic brakes and a 20' load space stepvan	
AM10-20	LDV		AM20MC04	SS34FC-V, 34' Mobile Command Center on a Freightliner MT-55 26,000-lb GVWR diesel chassis with Air Ride Suspension Hydraulic Brakes and a 24' load space stepvan	
AM10-20	LDV		AM20MC05	SS36FC-SV, 36' Mobile Command Center on a Freightliner MT-55 26,000-lb GVWR diesel chassis with Air Ride Suspension Hydraulic Brakes and a 24' load space stepvan	
AM10-20	LDV		AM20MC06	SS40FC1S-CC, 40' Mobile Command Center with 1 slideout on a 33,000-lb. GVWR diesel cab-chassis with air ride suspension air brakes and a 30' load space stepvan	
AM10-20	LDV		AM20MC07	SS40FC1S-SV, 40' Mobile Command Center with 1 slideout on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension hydraulic brakes and a 20' load space stepvan	
AM10-20	LDV		AM20MC08	SS40FC-SV, 40' Mobile Command Center on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension air brakes and a 30' load space stepvan	
AM10-20	LDV		AM20MC09	SS40RC1S-SV, 40' Mobile Command Center with 1 slideout on a Freightliner MT-55 30,000-lb GVWR diesel chassis with air ride suspension hydraulic brakes and a 20' load space stepvan	
AM10-20	LDV		AM20MC10	C28MED18, 28' 1 Room Mobile Clinic on a 4x2 19,500-lb. GVWR gas chassis with spring suspension hydraulic brakes and a 20' load space stepvan	
AM10-20	LDV		AM20MC11	C34MED24, 34' 1 Room Mobile Clinic on a 25,999-lb. GVWR gas chassis with spring suspension hydraulic brakes and a 24' load space stepvan	
AM10-20	LDV		AM20MC12	S32MED22, 32' 2 Room Mobile Clinic on a 22,000-lb GVWR gas chassis with spring suspension hydraulic brakes and a 22' load space stepvan	
AM10-20	LDV		AM20MC13	MCC302990, 28' Mobile Command Center on a 11,440-lb. GVWR tandem axle trailer	
AM10-20	LDV		AM20MC14	T35MCC32, 35' Mobile Command Center with 1 slideout on a 19,800-lb GVWR triple axle trailer	
AM10-20	LDV		AM20MC15	MCC302200 40' Mobile Command Center on a 54,000 lb GVWR diesel cab-chassis with a 29.5' all aluminum body and two slide outs.	
AM10-20	LDV		AM20MC16	SS24RC-CC 24' Mobile Command Center on a 14,500 lb GVWR gas cutaway van with 14' load space body.	

AM10-20	LDV		AM20MC17	C22EEQ-33732 22' Equipment Vehicle on a 19,500 lb GVWR diesel crew cab chassis with 12' custom storage body.	
AM10-20	LDV		AM20MC18	M45EWC38121712 45' Mobile Command Vehicle on a Class A motorhome shell with 52,000 lb diesel chassis and four slide outs.	
N. Life Line					
A. Ambulance					
AM10-20	Life Line		AM20NA01	Type I Superliner 167" Body Ford F450	
AM10-20	Life Line		AM20NA02	Type I Superliner 171" Body Ford F450	
AM10-20	Life Line		AM20NA03	Type I Superliner 167" Body Ford F550	
AM10-20	Life Line		AM20NA04	Type I Superliner 171" Body Ford F550	
AM10-20	Life Line		AM20NA05	Type I Superliner 167" Body RAM 4500	
AM10-20	Life Line		AM20NA06	Type I Superliner 171" Body RAM 4500	
AM10-20	Life Line		AM20NA07	Type I Superliner 167" Body RAM 5500	
AM10-20	Life Line		AM20NA08	Type I superliner 171" Body RAM 5500	
AM10-20	Life Line		AM20NA09	Type I Highliner 171" Freightliner M2	
AM10-20	Life Line		AM20NA10	Type I Highliner 171" International 4300 /MV series	
AM10-20	Life Line		AM20NA11	Type I Highliner 171" International 4400 /MV series	
AM10-20	Life Line		AM20NA12	Type I Highliner 171" International CV	
AM10-20	Life Line		AM20NA13	Type I Highliner 171" Body Chevy HD 4500	
AM10-20	Life Line		AM20NA14	Type I Highliner 171" Body Chevy HD 5500	
AM10-20	Life Line		AM20NA15	Type I Paraliner 147" Body Ford F350	
AM10-20	Life Line		AM20NA16	Type I Paraliner 147" Body Ford F450	
AM10-20	Life Line		AM20NA17	Type III Paraliner 147" Body Ford E350	
AM10-20	Life Line		AM20NA18	Type III Paraliner 147" Body Chevy G3500	
AM10-20	Life Line		AM20NA19	TYPE III Victoryliner 167" Body Ford E450	
AM10-20	Life Line		AM20NA20	Type III Victoryliner 167" Body Chevy G4500	
AM10-20	Life Line		AM20NA21	Type I Victoryliner 167" Body Ford F450	
AM10-20	Life Line		AM20NA22	Type I Victoryliner 167" Body Ford F550	
AM10-20	Life Line		AM20NA23	Type I Victoryliner 167" Body RAM 4500	
AM10-20	Life Line		AM20NA24	Type I Victoryliner 167" Body RAM 5500	
AM10-20	Life Line		AM20NA25	Type III Superliner 167" Body Ford E450	
AM10-20	Life Line		AM20NA26	Type III Superliner 171" Body Ford E450	
AM10-20	Life Line		AM20NA27	Type III Superliner 167" Body Chevy G4500	
AM10-20	Life Line		AM20NA28	Type III Superliner 171" Body Chevy G4500	
AM10-20	Life Line		AM20NA29	Type II Ford Transit T350 148" WB	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Life Line		AM20NE01	Remount Only, Type I Life Line Body	
AM10-20	Life Line		AM20NE02	Remount Only, Type III Life Line Body	
AM10-20	Life Line		AM20NE03	Remount Only, Medium duty Life Line Body	
AM10-20	Life Line		AM20NE04	Remount type 1 Life Line body Ford F-350	
AM10-20	Life Line		AM20NE05	Remount type I Life Line body Ford F-450	

AM10-20	Life Line		AM20NE06	Remount type I Life Line body Ford F-550	
AM10-20	Life Line		AM20NE07	Remount type III Life Line body Ford E-350	
AM10-20	Life Line		AM20NE08	Remount type III Life Line body Ford E-450	
AM10-20	Life Line		AM20NE09	Remount type I Life Line body Chevy HD 4500	
AM10-20	Life Line		AM20NE10	Remount type I Life Line body Chevy HD 5500	
AM10-20	Life Line		AM20NE11	Remount type III Life Line body Chevy G-3500	
AM10-20	Life Line		AM20NE12	Remount type III Life Line body Chevy G-4500	
AM10-20	Life Line		AM20NE13	Remount type I Life Line body RAM 4500	
AM10-20	Life Line		AM20NE14	Remount type I Life Line body RAM 5500	
AM10-20	Life Line		AM20NE15	Remount type I Life Line body International 4300/MV	
AM10-20	Life Line		AM20NE16	Remount type I Life Line body International CV	
AM10-20	Life Line		AM20NE17	Remount type I Life Line body Freightliner -M2	
O. Marque					
A. Ambulance					
AM10-20	Marque		AM20OA01	Type I 148 Commando F350	
AM10-20	Marque		AM20OA02	Type I 148 Commando F450	
AM10-20	Marque		AM20OA03	Type I 148 Commando Chevy 3500	
AM10-20	Marque		AM20OA04	Type I 148 Commando Ram 4500	
AM10-20	Marque		AM20OA05	Type I 170 Commando F450	
AM10-20	Marque		AM20OA06	Type I 170 Commando Ram 4500	
AM10-20	Marque		AM20OA07	Type I 170-MD Commando International 4300	
AM10-20	Marque		AM20OA08	Type I 170-MD Commando International TerraStar	
AM10-20	Marque		AM20OA09	Type I 170-MD Brigadier International 4300	
AM10-20	Marque		AM20OA10	Type I 170-MD Brigadier International TerraStar	
AM10-20	Marque		AM20OA11	Type II Squad II E350 - V8 Gas	
AM10-20	Marque		AM20OA12	Type II Squad II Transit - Diesel	
AM10-20	Marque		AM20OA13	Type II Squad II Transit - Gas	
AM10-20	Marque		AM20OA14	Type II Squad II G3500 - Diesel	
AM10-20	Marque		AM20OA15	Type II Squad II G3500 - V8 Gas	
AM10-20	Marque		AM20OA16	Type II Sprinter- Diesel	
AM10-20	Marque		AM20OA17	Type III 148 Commando E350	
AM10-20	Marque		AM20OA18	Type III 148 Commando G3500	
AM10-20	Marque		AM20OA19	Type III 164 Commando E450	
AM10-20	Marque		AM20OA20	Type III 164 Commando G4500	
AM10-20	Marque		AM20OA21	Type III 170 Brigadier E450	
AM10-20	Marque		AM20OA22	Type III 170 Brigadier G4500	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Marque		AM20OE01	Remount only - Type I	
AM10-20	Marque		AM20OE02	Remount only - Type III	

AM10-20	Marque		AM20OE03	Remount only - Medium Duty	
AM10-20	Marque		AM20OE04	Remount on chassis- Type I Ford F-350	
AM10-20	Marque		AM20OE05	Remount on chassis - Type I Ford F-450	
AM10-20	Marque		AM20OE06	Remount on chassis - Type I Chevrolet C3500	
AM10-20	Marque		AM20OE07	Remount on chassis - Type I Ram 3500	
AM10-20	Marque		AM20OE08	Remount on chassis - Type I Ram 4500	
AM10-20	Marque		AM20OE09	Remount on chassis - Type I International 4300	
AM10-20	Marque		AM20OE10	Remount on chassis - Type I Terra Star	
AM10-20	Marque		AM20OE11	Remount on chassis - Type III Ford E-350	
AM10-20	Marque		AM20OE12	Remount on chassis - Type III Ford E-450	
AM10-20	Marque		AM20OE13	Remount on chassis - Type III Chevrolet G3500	
AM10-20	Marque		AM20OE14	Remount on chassis - Type III Chevrolet G4500	
P. Matthews Specialty Vehicles, Inc.					
C. Other Specialty Vehicle or Equipment					
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC01	MSV-CC-500, Sprinter Mobile Command	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC02	MSV-CC-1000-16, Ford E-450 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC03	MSV-CC-3000-102-22, Freightliner M2 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC04	MSV-CC-3000-102-24, Freightliner M2 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC05	MSV-CC-3000-102-26, Freightliner M2 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC06	MSV-CC-3000-102-28, Freightliner M2 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC07	MSV-CC-3000-102-30, Freightliner M2 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC08	MSV-CC-MH-4000-102-33, Gasoline Non-CDL Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC09	MSV-CC-MH-4000-102-38, Gasoline Non-CDL Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC10	MSV-CC-4000-102-37, Thomas Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC11	MSV-CC-4000-102-40, Thomas Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC12	MSV-CC-4000-102-40-2S, Thomas Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC13	MSV-CC-4000-102-40-4S, Thomas Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC14	MSV-CC-5000-102-40, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC15	MSV-CC-5000-102-40-2S, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC16	MSV-CC-5000-102-40-4S, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC17	MSV-CC-5000-102-45, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC18	MSV-CC-5000-102-45-2S, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC19	MSV-CC-5000-102-45-4S, Freightliner XC Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC20	MSV-CC-6000-32, Mobile Command Trailer	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC21	MSV-CC-6000-53, Mobile Command Trailer	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC22	MSV-CC-2000-20, Freightliner MT-45 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC23	MSV-CC-2000-24, Freightliner MT-55 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC24	MSV-CC-2000-30, Freightliner MT-55 Mobile Command Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC25	MSV-EOD-500, Sprinter EOD/Bomb Unit	

AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC26	MSV-EOD-1000-16, Ford F550 EOD/Bomb Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC27	MSV-EOD-3000-23, Freightliner M2 EOD/Bomb Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC28	MSV-EOD-3000-26, Freightliner M2 EOD/Bomb Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC29	MSV-SWAT-500, Sprinter SWAT Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC30	MSV-SWAT-2000-22, Freightliner MT-45 SWAT	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC31	MSV-SWAT-2000-26, Freightliner MT-55 SWAT	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC32	MSV-HNT-3000-24, Freightliner M2 Hostage Negotations Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC33	MSV-BAT-2000-22, Freightliner MT-45 DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC34	MSV-BAT-2000-26, Freightliner MT-55 DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC35	MSV-BAT-3000-24, Freightliner M2 DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC36	MSV-BAT-4000-102-40, Thomas DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC37	MSV-BAT-5000-102-40, Freightliner XC DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC38	MSV-BAT-5000-102-45, Freightliner XC DUI Processing Vehicle	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC39	MSV-MASSEVAC-4000-102, Thomas Mobile Mass Evacuation Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC40	MSV-H-1000-96-16-1E, Ford E450 Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC41	MSV-H-3000-102-24-1E, Freightliner M2 Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC42	MSV-H-3000-102-30-1E, Freightliner M2 Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC43	MSV-H-4000-102-35-1E, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC44	MSV-H-4000-102-37-2E, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC45	MSV-H-4000-102-40-2E, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC46	MSV-H-4000-102-40-2E-1S, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC47	MSV-H-4000-102-40-3E, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC48	MSV-H-4000-96-40-2E, Thomas Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC49	MSV-H-4000MH-33-1E, Winnebago Gasoline Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC50	MSV-H-4000MH-33-1E, Winnebago Diesel Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC51	MSV-H-4000MH-33-2E, Winnebago Gasoline Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC52	MSV-H-4000MH-33-2E, Winnebago Diesel Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC53	MSV-H-4000MH-38-2E, Winnebago Gasoline Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC54	MSV-H-4000MH-38-2E, Winnebago Diesel Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC55	MSV-H-5000-102-40-2E, Freightliner XCR Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC56	MSV-H-5000-102-45-2E, Freightliner XCR Mobile Medical Unit	
AM10-20	Matthews Specialty Vehicles, Inc.		AM20PC57	MSV-MASSEVAC-4000-102, Thomas Mobile Mass Evacuation Unit	
Q. McCoy Miller					
A. Ambulance					
AM10-20	McCoy Miller		AM20QA01	Type I Medic 142 Ford F-350 XL (4x2) 169" WB - Diesel	
AM10-20	McCoy Miller		AM20QA02	Type I Medic 142 Ram 3500 (4x2) 167.5" WB - Diesel	
AM10-20	McCoy Miller		AM20QA03	Type I Medic 142 Chevy C3500 Silverado (4X2) 171" WB - Diesel	
AM10-20	McCoy Miller		AM20QA04	Type I Medic 146 Ford F-350XL (4x2) 169" WB - Diesel	
AM10-20	McCoy Miller		AM20QA05	Type I Medic 146 Ram 4500 (4x2) 167.5" WB - Diesel	

AM10-20	McCoy Miller		AM20QA06	Type I Medic 163 Ford F-450XL (4x2) 193" WB - Diesel	
AM10-20	McCoy Miller		AM20QA07	Type I Medic 163 Ram 4500 (4x2) 192.5" WB - Diesel	
AM10-20	McCoy Miller		AM20QA08	Type I Medic 170 Ford F-450XL (4x2) 193" WB - Diesel	
AM10-20	McCoy Miller		AM20QA09	Type I Medic 170 Ram 4500 192.5" (4x2) WB - Diesel	
AM10-20	McCoy Miller		AM20QA10	Type I Medic 170 Ford F550 (4x2) 193" WB Diesel	
AM10-20	McCoy Miller		AM20QA11	Type I ResqMedic MD 170 Chevrolet C4500 (4x2) Diesel	
AM10-20	McCoy Miller		AM20QA12	Type I ResqMedic MD 170 Freightliner M2 (4x2) Diesel	
AM10-20	McCoy Miller		AM20QA13	Type I ResqMedic MD 170 International MV (4x2) Diesel	
AM10-20	McCoy Miller		AM20QA14	Type II Guardian Ford T-250 Transit Mid Roof, 148" WB - 9,000 GVWR - Gas	
AM10-20	McCoy Miller		AM20QA15	Type II Guardian Ford T-350 Transit High Roof, 148" WB - 9,500 GVWR - Gas	
AM10-20	McCoy Miller		AM20QA16	Type II Guardian MB Sprinter 2500 High Roof, 144" WB 9,050 GVWR - Diesel	
AM10-20	McCoy Miller		AM20QA17	Type III Medic 142 Ford E-350 138" WB - Gas	
AM10-20	McCoy Miller		AM20QA18	Type III Medic 142 Chevrolet G3500 139" WB - Gas	
AM10-20	McCoy Miller		AM20QA19	Type III Medic 146 Ford E-350 138" WB - Gas	
AM10-20	McCoy Miller		AM20QA20	Type III Medic 146 Chevrolet G3500 139" WB - Gas	
AM10-20	McCoy Miller		AM20QA21	Type III Medic 163 Ford E-450 158" WB - Gas	
AM10-20	McCoy Miller		AM20QA22	Type III Medic - 163SE Chevy G4500 159"WB - Gas	
AM10-20	McCoy Miller		AM20QA23	Type III Medic 170 Ford E-450 158" WB - Gas	
AM10-20	McCoy Miller		AM20QA24	Type III Medic 170 Chevy G4500 159"WB - Gas	
R. Medix					
A. Ambulance					
AM10-20	Medix		AM20RA01	Type II Ford Transit SRH-148 WD	
AM10-20	Medix		AM20RA02	Type II Ford Transit SRH-148 AL	
AM10-20	Medix		AM20RA03	Type II Ford Transit SRH-148 SS	
AM10-20	Medix		AM20RA04	Type II SILVERHAWK G-3500 EXPRESS	
AM10-20	Medix		AM20RA05	Type III Metro Express BL90 Ford E-350 DRW	
AM10-20	Medix		AM20RA06	Type III RP90 ES Metro Express Ford E-350 DRW	
AM10-20	Medix		AM20RA07	Type III RP90 ES Metro Express Chevy G-3500 DRW	
AM10-20	Medix		AM20RA08	Type III RP90 MR Metro Express Ford E-350 DRW	
AM10-20	Medix		AM20RA09	Type III RP90 MR Metro Express Chevy G-3500 DRW	
AM10-20	Medix		AM20RA10	Type III Metro Express 153 Ford E350 DRW	
AM10-20	Medix		AM20RA11	Type III Metro Express 153 Chevy G-3500 DRW	
AM10-20	Medix		AM20RA12	Type III 166 Metro Express Ford E-450 DRW	
AM10-20	Medix		AM20RA13	Type III 166 Metro Express Chevy G-4500 DRW	
AM10-20	Medix		AM20RA14	Type III MSVII170 Ford E-450 DRW	
AM10-20	Medix		AM20RA15	Type III MSVII170 Chevy G-4500 DRW	
AM10-20	Medix		AM20RA16	Type I Metro Express RP90ES Ford F350- Gas Engine	
AM10-20	Medix		AM20RA17	Type I Metro Express RP90ES Chevrolet C-3500HD 4x2 Silverado Gas Engine	
AM10-20	Medix		AM20RA18	Type I Metro Express 153 LTD Ford F350 4x2 Gas Engine	

AM10-20	Medix		AM20RA19	Type I Metro Express 153 LTD Chevrolet C-3500HD 4x2 Silverado Gas Engine	
AM10-20	Medix		AM20RA20	Type I Metro Express 153 LTD RAM 3500 4x2 Diesel	
AM10-20	Medix		AM20RA21	Type I MSV II 157 LTD Ford F450 4x2 Gas Engine	
AM10-20	Medix		AM20RA22	Type I MSV II 157 LTD RAM 4500 4x2 Diesel	
AM10-20	Medix		AM20RA23	Type I MSV II 170 Ford F450 4x2 Gas Engine	
AM10-20	Medix		AM20RA24	Type I MSV II 170 RAM 4500 4x2 Diesel	
AM10-20	Medix		AM20RA25	Type I Metro Express GPM 153 Ford F350 4x2 Gas Engine	
AM10-20	Medix		AM20RA26	Type I Metro Express GPM 153 Chevrolet C-3500 HD 4x2 Gas Engine	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Medix		AM18RE01	Remount on chassis - Ford F350 Type I	
AM10-20	Medix		AM18RE02	Remount on chassis - Ford F450 Type I	
AM10-20	Medix		AM18RE03	Remount on chassis - Ford E350 Type III	
AM10-20	Medix		AM18RE04	Remount on chassis - Ford E450 Type III	
AM10-20	Medix		AM18RE05	Remount on chassis - Chevrolet C3500 Type I	
AM10-20	Medix		AM18RE06	Remount on chassis - Chevrolet G3500 Type III	
AM10-20	Medix		AM18RE07	Remount on chassis - Chevrolet G4500 Type III	
AM10-20	Medix		AM18RE08	Remount on chassis - RAM 3500 Type I	
AM10-20	Medix		AM18RE09	Remount on chassis - RAM 4500 Type I	
AM10-20	Medix		AM18RE10	Remount on chassis - Medium Duty Intenational Type I	
AM10-20	Medix		AM18RE11	Remount on chassis - Medium Duty Freightliner Type I	
S. First Priority					
B. Light/Medium Rescue Vehicle					
AM10-20	First Priority		AM20SB01	Emergency Response Unit, Ford F550, 108" walk-around steel body, 7 compartments, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB02	Emergency Response Unit, Ford F550, 144" walk-around steel body, 9 compartment, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB03	Emergency Response Unit, Ford F550, 108" walk-in steel body, 7 compartments, console, emergency lighting.	
AM10-20	First Priority		AM20SB04	Emergency Response Unit, Ford F550, 144" walk-in steel body, 9 compartments, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB05	Emergency Response Unit, Ford F550, 108" walk around aluminum body, 7 compartments, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB06	Emergency Response Unit, Ford F550, 144" walk around aluminum body, 9 compartments, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB07	ALS Response Vehicle, Ford F350, 80" walk around aluminum body, 16 compartments, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB08	Emergency Response Unit, Freighliner M106 with 240" Aluminum body, painted, console, emergency lighting.	
AM10-20	First Priority		AM20SB09	Commercial utility body, Ford F-550 11ft walk-in body, steel, painted, 9 compartments, console, emergency lighting.	
AM10-20	First Priority		AM20SB10	Multi patient transport unit	
AM10-20	First Priority		AM20SB11	Wildland off-road 4x4 F-550 vehicle	
AM10-20	First Priority		AM20SB12	High water 6x6 rescue vehicle reman milspec	
C. Other Specialty Vehicle or Equipment					
AM10-20	First Priority		AM20SC01	SUV, command vehicle, 4x4, rear command storage cabinet, console, emergency lighting	
AM10-20	First Priority		AM20SC02	SUV, police patrol marked, console, emergency lighting, graphics pkg, push bar	
AM10-20	First Priority		AM20SC03	SUV, police patrol un-marked, console, emergency lighting, push bar	
AM10-20	First Priority		AM20SC04	SUV, medical, 4x4, rear medical temperature controlled storage, console, emergency lighting	

AM10-20	First Priority		AM20SC05	SUV, K9 transport SUV, 4x4, Equipment storage and k9 kennel system, emergency lighting.
AM10-20	First Priority		AM20SC06	Pickup, responder, Ford F250, crew cab, 8' bed, commercial cap, rear pull out equipment and command unit
AM10-20	First Priority		AM20SC07	Pickup, medical, Ford F350, crew cab, 6' bed, temp controlled fiberglass cap insert, emergency lighting.
AM10-20	First Priority		AM20SC08	Van, mobile command, Sprinter 3500 ext, insulated, cabinets, desks, 120 volt power
AM10-20	First Priority		AM20SC09	Van, mobile K9 transport van, Sprinter 3500 ext, multi passenger seating, work area, K9 transport kennels, 120 VAC power, emergency lighting.
AM10-20	First Priority		AM20SC10	Van, responder, Transit T350, HR, insulated, cabinets & storage , 120 volt power, emergency lighting
AM10-20	First Priority		AM20SC11	Van, prisoner transport, Transit, LR 148"WB, insulated, prisoner transport system
AM10-20	First Priority		AM20SC12	Van, mobile office, Sprinter 3500 ext, insulated, interior, cabinets, desks, 120 volt power
AM10-20	First Priority		AM20SC13	Van, crime scene evidence collection, Sprinter 3500 ext, insulated interior, storage cabinets, work counters, 120 VAC power, emergency lighting.
AM10-20	First Priority		AM20SC14	Van, raid & deployment, Sprinter 3500 ext, insulated interior, bench seating, covert appearance, emergency lighting.
AM10-20	First Priority		AM20SC15	Van, contractor storage, Sprinter 3500 ext, aluminum tradesman package, partition.
AM10-20	First Priority		AM20SC16	Stepvan, mobile command center, 20ft, Ford F59, 19,500 GVWR, aluminum interior cabinetry, emergency lighting
AM10-20	First Priority		AM20SC17	Box Truck, Command Center, F-550 w/ FRP dry freight body, 16ft, aluminum interior cabinets, work stations, 120v power.
AM10-20	First Priority		AM20SC18	Trailer, mobile command center, 28ft.
AM10-20	First Priority		AM20SC19	Trailer, mobile command center, 53ft. Tractor drawn.
D. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)				
AM10-20	First Priority		AM20SD01	Type III Ford E350 chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD02	Type III Ford E450 chassis Customers ambulance module
AM10-20	First Priority		AM20SD03	Type III Chev G3500 chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD04	Type III Chev G4500 chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD05	Type I Ford F350 4x2 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD06	Type I Ford F350 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD07	Type I Ford F450 4x2 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD08	Type I Ford F450 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD09	Type I Ford F550 4x2 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD10	Type I Ford F550 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD11	Type I Chevy K3500 4x2 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD12	Type I Chevy K3500 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD13	Type I Chevy K3500 4x2 Gas chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD14	Type I Chevy K3500 4x4 Gas chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD15	Type I Chevy K4500 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD16	Type I Chevy K4500 4x4 Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD17	Type I Chevy K4500 4x4 Gas chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD18	Type I Chevy K4500 4x4 Gas chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD19	Multi patient transport unit
AM10-20	First Priority		AM20SD20	Type I RAM B4500 4x4 chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD21	Type I Med Duty International Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD22	Type I Med Duty Freightliner Diesel chassis plus Customers ambulance module
AM10-20	First Priority		AM20SD23	Type I Med Duty F650 Diesel chassis plus Customers ambulance module

T. Osage				
A. Ambulance				
AM10-20	Osage		AM20TA01	Type I Warrior Ford F-350 4x2
AM10-20	Osage		AM20TA02	Type I Warrior Ford F-350 4x4
AM10-20	Osage		AM20TA03	Type I Warrior Ford F-450 (2x2)
AM10-20	Osage		AM20TA04	Type I Warrior Ford F-450 (4x4)
AM10-20	Osage		AM20TA05	International Super Warrior
AM10-20	Osage		AM20TA06	Freightliner Super Warrior
AM10-20	Osage		AM20TA07	Ford Travois Type II Transit Ecoboost Gasoline
AM10-20	Osage		AM20TA08	Ford Travois Type II Transit Diesel
AM10-20	Osage		AM20TA09	Sprinter Travois Type II
AM10-20	Osage		AM20TA10	Ford Warrior Type III E-350
AM10-20	Osage		AM20TA11	Ford Super Warrior Type III E-450
AM10-20	Osage		AM20TA12	Type I Super Warrior Ford F450 4x2
AM10-20	Osage		AM20TA13	Type I Super Warrior Ford F450 4x4
AM10-20	Osage		AM20TA14	Type I Super Warrior Ford F-550 4x2
AM10-20	Osage		AM20TA15	Type I Super Warrior Ford F-550 4x4
AM10-20	Osage		AM20TA16	Type I Warrior RAM 3500 2x2
AM10-20	Osage		AM20TA17	Type I Warrior Ram 3500 4x4
AM10-20	Osage		AM20TA18	Type I Warrior RAM 4500 4x2'
AM10-20	Osage		AM20TA19	Type I Warrior Ram 4500 4x4
AM10-20	Osage		AM20TA20	Type I Super Warrior RAM 4500 4x2
AM10-20	Osage		AM20TA21	Type I Super Warrior RAM 4500 4x4
AM10-20	Osage		AM20TA22	Type I Super Warrior Ram 5500 4x2
AM10-20	Osage		AM20TA23	Type I Super Warrior Ram 5500 4x4
AM10-20	Osage		AM20TA24	Type III Warrior Chevrolet G3500'
AM10-20	Osage		AM20TA25	Type III Super Warrior Chevrolet G4500'
AM10-20	Osage		AM20TA26	Chevrolet 4500/5500 Medium Duty
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)				
AM10-20	Osage		AM20TE01	Remount only - Type I
AM10-20	Osage		AM20TE02	Remount only - Type III
AM10-20	Osage		AM20TE03	Remount only - Medium Duty
AM10-20	Osage		AM20TE04	Remount on chassis- Type I Ford F-350
AM10-20	Osage		AM20TE05	Remount on chassis - Type I Ford F-450
AM10-20	Osage		AM20TE06	Remount on chassis Type I Ford F-550
AM10-20	Osage		AM20TE07	Remount on chassis - Type I Chevrolet C/K 3500
AM10-20	Osage		AM20TE08	Remount on chassis - Type I Ram 3500
AM10-20	Osage		AM20TE09	Remount on chassis - Type I Ram 4500
AM10-20	Osage		AM20TE10	Remount on chassis Type I Ram 5500

AM10-20	Osage		AM20TE11	Remount on chassis - Type I International 4300	
AM10-20	Osage		AM20TE12	Remount on chassis - Type III Ford E-350	
AM10-20	Osage		AM20TE13	Remount on chassis - Type III Ford E-450	
AM10-20	Osage		AM20TE14	Remount on chassis - Type III GMC G3500	
AM10-20	Osage		AM20TE15	Remount on chassis - Type III GMC G4500	
U. Oshkosh					
C. Other Specialty Vehicle or Equipment					
AM10-20	Oshkosh		AM20UC01	Oshkosh Defense Tactical Protector Vehicle (TPV) - high mobility protected tactical vehicle. NIJ level 4.	
V. Pierce					
B. Light/Medium Rescue Vehicle					
AM10-20	Pierce		AM20VB01	Pierce F-550 2 Door Rescue, 10' Body n/walk-in with roll-up	
AM10-20	Pierce		AM20VB02	Pierce F-550 2 Door Rescue, 12' Body n/walk-in with roll-up	
AM10-20	Pierce		AM20VB03	Pierce F-550 4 Door Rescue 12' Body n/walk-in with roll-up	
AM10-20	Pierce		AM20VB04	Pierce F-550 2 Door, 13' Encore Rescue n/walk-in body, roll-up	
C. Other Specialty Vehicle or Equipment					
AM10-20	Pierce		AM20VC01	Pierce Saber FR Command/Communications, 400 hp motor, 30 feet approximate length - Modular aluminum body - 20kW diesel generator.	
AM10-20	Pierce		AM20VC02	Pierce Arrow XT Command/Communications, 450 hp motor, 30 feet approximate length - Modular aluminum body - 20kW diesel generator.	
AM10-20	Pierce		AM20VC03	Pierce Arrow XT Command/Communications, 450 hp motor, 40 feet 9 inches approximate length - Modular aluminum body - 20kW diesel	
AM10-20	Pierce		AM20VC04	Pierce Velocity Command/Communications, 450 hp motor, 40 feet 9 inches approximate length - Modular aluminum body - 20kW diesel	
W. P L Custom Emergency Vehicles					
A. Ambulance					
AM10-20	P L Custom Emergency Vehicles		AM20WA01	Type III Medallion 170, Ford E450 (GAS Engine), Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA02	Type III Medallion 170, Chev G4500, Body Length 170" (GAS)	
AM10-20	P L Custom Emergency Vehicles		AM20WA03	Type III Medallion 80 Chev G3500, Body Length 147" (GAS)	
AM10-20	P L Custom Emergency Vehicles		AM20WA04	Type III Medallion 80 Ford E350 (GAS Engine), Body Length 147"	
AM10-20	P L Custom Emergency Vehicles		AM20WA05	Type I Ford F350 4x2 169" WB, Body Length 147"	
AM10-20	P L Custom Emergency Vehicles		AM20WA06	Type I Ford F350 4x4 169" WB, Body Length 147"	
AM10-20	P L Custom Emergency Vehicles		AM20WA07	Type I Ford F450 4x2 169" WB, Body Length 156	
AM10-20	P L Custom Emergency Vehicles		AM20WA08	Type I Ford F450 4x4 , 169" WB, Body Length 156	
AM10-20	P L Custom Emergency Vehicles		AM20WA09	Type I Ford F450 4x2 193" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA10	Type I Ford F450 4x4 193" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA11	Type I Ford F550 4x2 169" WB, Body Length 156"	
AM10-20	P L Custom Emergency Vehicles		AM20WA12	Type I Ford F550 4x4 , 169" WB, Body Length 156	
AM10-20	P L Custom Emergency Vehicles		AM20WA13	Type I Ford F550 4x2 193" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA14	Type I Ford F550 4x4 193" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA15	Type I RAM 4500 4x4 , 168.5" WB, Body Length 156	
AM10-20	P L Custom Emergency Vehicles		AM20WA16	Type I RAM 4500 4x4 , 192" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA17	Type I RAM 5500 4x4 168.5" WB, Body Length 156"	
AM10-20	P L Custom Emergency Vehicles		AM20WA18	Type I RAM 5500 4x4 192" WB, Body Length 170"	

AM10-20	P L Custom Emergency Vehicles		AM20WA19	Medium Duty Titan International 4300, MV607,169" Wb, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA20	Medium Duty Titan Freightliner M2, 168" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA21	Medium Duty Titan Freightliner M2, 174" WB, Body Length 176"	
AM10-20	P L Custom Emergency Vehicles		AM20WA22	Medium Duty Titan International 4300, MV607 175" WB, Body Length 176"	
AM10-20	P L Custom Emergency Vehicles		AM20WA23	Type I RAM 4500 4x2 , 168.5" WB, Body Length 156	
AM10-20	P L Custom Emergency Vehicles		AM20WA24	Type I RAM 4500 4x2 , 192" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA25	Type I RAM 5500 4x2 168.5" WB, Body Length 156"	
AM10-20	P L Custom Emergency Vehicles		AM20WA26	Type I RAM 5500 4x2 192" WB, Body Length 170"	
AM10-20	P L Custom Emergency Vehicles		AM20WA27	Medium Duty Titan Chevrolet Silverado 5500, 189" WB, 108" CA, Body Length 176"	
AM10-20	P L Custom Emergency Vehicles		AM20WA28	Medium Duty Titan International CV, 189" WB, 108" CA, Body Length 176"	
B. Light/Medium Rescue Vehicle					
AM10-20	P L Custom Emergency Vehicles		AM20WB01	Non Walk In with Upper storage, 16' 3" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB02	Non Walk In with Upper storage, 18' 9" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB03	Non Walk In with Upper storage, 20' Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB04	Non Walk In with Upper storage, 22' 4" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB05	Walk In 18' 9" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB06	Walk In 20" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB07	Walk-Around with Upper Storage 14'-6" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB08	Walk-Around with Upper Storage 16'-3" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB09	Walk-Around with Upper Storage 18'-9" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB10	Walk-Around with Upper Storage 20' Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB11	Walk-Around with Upper Storage 22'-4" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB12	Walk-Around with Upper Storage 25' Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB13	Walk-Around with Upper Storage 25' Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB14	Walk-Around 12'-6" Rescue, Ford Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB15	Walk-Around USAR 22'-4" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB16	Walk-In 16'-3" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB17	Walk-In 22'-4" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB18	Walk-In 25' Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB19	Walk-In 18'-9" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB20	Walk-In 20' Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB21	Walk-In 22'-4" Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB22	Walk-In 25' Rescue, Custom Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB23	Command Unit 22' 7" Commercial 4400 Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB24	Bomb Unit 20' 9" 2 Door Commercial 4400 Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB25	Walk-Around 14'6" Rescue, Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB26	Crew Carrier 16'3", 4 Door Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WB27	ESU Unit 10' 6" 2 Door Ford F550 Chassis	
C. Other Specialty Vehicle or Equipment					

AM10-20	P L Custom Emergency Vehicles		AM20WC01	ALS Responder Conversion only; lighting, console, rear cabinet	
AM10-20	P L Custom Emergency Vehicles		AM20WC02	BLS Responder Conversion only: lighting, console, rear cabinet	
AM10-20	P L Custom Emergency Vehicles		AM20WC03	Fire Command Conversion only; lighting, console, rear cabinet	
AM10-20	P L Custom Emergency Vehicles		AM20WC04	ALS Responder Conversion incl Ford Expedition 4x4 ; lighting, console, rear cabinet	
AM10-20	P L Custom Emergency Vehicles		AM20WC05	BLS Responder Conversion incl Ford Expedition 4x4; lighting, console, rear cabinet	
AM10-20	P L Custom Emergency Vehicles		AM20WC06	Fire Command Conversion incl Ford Expedition 4x4; lighting, console, rear cabinet	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	P L Custom Emergency Vehicles		AM20WE01	Remount only - Type I	
AM10-20	P L Custom Emergency Vehicles		AM20WE02	Remount only - Type III	
AM10-20	P L Custom Emergency Vehicles		AM20WE03	Remount only - Medium Duty	
AM10-20	P L Custom Emergency Vehicles		AM20WE04	Type III Remount to Ford E-Series Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE05	Type III Remount to Chev G-Series Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE06	Type I Remount to Ford F-Series Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE07	Type I Remount to Ram Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE08	Medium Duty Remount to International Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE09	Medium Duty Remount to Freightliner Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE10	Medium Duty Remount to Chevrolet Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE11	Heavy Duty Remount to Commercial Chassis	
AM10-20	P L Custom Emergency Vehicles		AM20WE12	Heavy Duty Remount to Custom Chassis	
X. Road Rescue					
A. Ambulance					
AM10-20	Road Rescue		AM20XA01	Duramedic III, 150"X 92", Chevrolet CG33503	
AM10-20	Road Rescue		AM20XA02	Duramedic I, 150" X 92", PT, Ford F450 (4 x 2), w/Air Ride	
AM10-20	Road Rescue		AM20XA03	Duramedic I, 150" X 92", PT, RAM 4500 (4 x 2), w/Air Ride	
AM10-20	Road Rescue		AM20XA04	Promedic III, 150" X 96", Chevrolet CG33503	
AM10-20	Road Rescue		AM20XA05	Promedic I, 150" X 96", PT, Ford F450 (4 x 2), w/Air Ride	
AM10-20	Road Rescue		AM20XA06	Promedic I, 150" X 96", PT, RAM 4500 (4 x 2), w/Air Ride	
AM10-20	Road Rescue		AM20XA07	Ultramedic III, 168" X 96", Ford E450 (V-8, Gas) Cutaway	
AM10-20	Road Rescue		AM20XA08	Ultramedic III, 170" X 96", Chevrolet G4500 (Gas) Cutaway	
AM10-20	Road Rescue		AM20XA09	Ultramedic I, 168" X 96", PT, Ford F450 (4 x 2), w/Air Ride	
AM10-20	Road Rescue		AM20XA10	Ultramedic I, 168" X 96", PT, RAM 4500 (4 x 2), w/Air Ride	
ADD	Road Rescue		AM20XA11	Ultramedic I, 168" x 96", PT, Chevrolet 5500HD (4x2) w/air ride	
AM10-20	Road Rescue		AM20XA12	Ultramedic MD, 168" x 96", PT, International MV, w/Air Ride	
AM10-20	Road Rescue		AM20XA13	Ultramedic MD, 168" x 96", PT, International CV, w/Air Ride,	
AM10-20	Road Rescue		AM20XA14	Ultramedic MD, 168" x 96", Freightliner M2, w/Air Ride,	
AM10-20	Road Rescue		AM20XA15	MetroMedic I, 146" X 90", PT, Ford F350 (4 X 2)	
AM10-20	Road Rescue		AM20XA16	MetroMedic I, 146" X 90", PT, Cheverlot C3500 (4 X 2)	
AM10-20	Road Rescue		AM20XA17	MetroMedic I, 146" X 90", PT, RAM 3500 (4 X 2)	
AM10-20	Road Rescue		AM20XA18	MetroMedic I, 153" X 95", PT, Ford F350 (4 X 2)	

AM10-20	Road Rescue		AM20XA19	MetroMedic I, 153" X 95", PT, Ford F450 (4 X 2) w/Air Ride	
AM10-20	Road Rescue		AM20XA20	MetroMedic I, 153" X 95", PT, RAM 4500 (4 X 2) w/Air Ride	
AM10-20	Road Rescue		AM20XA21	MetroMedic I, 160" x 95", PT, Chevrolet 5500HD 4x2 w/air ride	
AM10-20	Road Rescue		AM20XA22	MetroMedic VII, 146 x 90", Ford E350	
AM10-20	Road Rescue		AM20XA23	MetroMedic VII, 146 x 90", Chevrolet CG33503	
AM10-20	Road Rescue		AM20XA24	MetroMedic III, 153" X 95", Ford E350	
AM10-20	Road Rescue		AM20XA25	MetroMedic III, 153" X 95", Chevrolet CG33503	
AM10-20	Road Rescue		AM20XA26	MetroMedic III, 165" X 95", Ford E450	
AM10-20	Road Rescue		AM20XA27	MetroMedic III, 165" X 95", Chevrolet G4500 Cutaway	
AM10-20	Road Rescue		AM20XA28	MetroMedic III, 160" X 95", Chevrolet G4500 Cutaway	
AM10-20	Road Rescue		AM20XA29	MetroMedic MD, 160" x 95" International w/air ride	
AM10-20	Road Rescue		AM20XA30	MetroMedic MD, 160" X 95", Freightliner M2 W/Air Ride	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Road Rescue		AM20XE01	Remount only - Type I	
AM10-20	Road Rescue		AM20XE02	Remount only - Type III	
AM10-20	Road Rescue		AM20XE03	Remount only - Medium Duty	
AM10-20	Road Rescue		AM20XE04	Remount on chassis- Ford F-350 Type I	
AM10-20	Road Rescue		AM20XE05	Remount on chassis - Ford F-450 Type I	
AM10-20	Road Rescue		AM20XE06	Remount on chassis - Ford E-350 Type III	
AM10-20	Road Rescue		AM20XE07	Remount on chassis - Ford E-450 Type III	
AM10-20	Road Rescue		AM20XE08	Remount on chassis - Chevrolet C3500 Type I	
AM10-20	Road Rescue		AM20XE09	Remount on chassis - Chevrolet G3500 Type III	
AM10-20	Road Rescue		AM20XE10	Remount on chassis - Chevrolet G4500 Type III	
AM10-20	Road Rescue		AM20XE11	Remount on chassis - RAM 3500 Type I	
AM10-20	Road Rescue		AM20XE12	Remount on chassis - RAM 4500 Type I	
AM10-20	Road Rescue		AM20XE13	Remount on chassis - Chevrolet 4500HD Type I	
AM10-20	Road Rescue		AM20XE14	Remount on chassis - International MV Type I	
AM10-20	Road Rescue		AM20XE15	Remount on chassis - International CV Type I	
AM10-20	Road Rescue		AM20XE16	Remount on chassis - Freightliner M2 Type I	
Z.The Armored Group					
C. Other Specialty Vehicle or Equipment					
AM10-20	The Armored Group		AM20ZC01	Armored Tactical Support Vehicle with room for 10-12 Tactical Responders. Includes full armored protection on a Ford F550 4X4 chassis	
AM10-20	The Armored Group		AM20ZC02	Rapid Deployment Vehicle; 14' x 78"x 96" FRP Body with Swat Bench Seating and Related Equipment on a Ford E450 Cutaway chassis.	
AM10-20	The Armored Group		AM20ZC03	10' Dual Compartment Prisoner Transport Van built on a Ford E350 Cutaway Chassis with an FRP body.	
AM10-20	The Armored Group		AM20ZC04	12' Quick Response Bomb Squad Command Center built on a Ford f450 chassis.	
AM10-20	The Armored Group		AM20ZC05	24' Custom Built Mobile Command Center built on a Ford F650 Chassis.	
AM10-20	The Armored Group		AM20ZC06	10' Crime Scene Response [CSI] vehicle mounted on a Ford E350 chassis	
AM10-20	The Armored Group		AM20ZC07	Rapid Deployment Vehicle; 14' x 78"x 96" FRP Body with Swat Bench Seating and Related Equipment on a Ford E450 Cutaway chassis.	
AM10-20	The Armored Group		AM20ZC08	Hostage Negotiation Vehicle on a Ford E450 chassis	

AA. Taylor Made				
A. Ambulance				
AM10-20	Taylor Made		AM20AAA01	Type I, F-350 DRW, 144" Module
AM10-20	Taylor Made		AM20AAA02	Type I, F-450 DRW, 144" Module
AM10-20	Taylor Made		AM20AAA03	Type I, F-550 DRW, 144" Module
AM10-20	Taylor Made		AM20AAA04	Type I, GM DRW, 144" Module
AM10-20	Taylor Made		AM20AAA05	Type I-HD, F-650, 164" Module
AM10-20	Taylor Made		AM20AAA06	Type I-HD, FL-M2, 164" Module
AM10-20	Taylor Made		AM20AAA07	Type I-HD, LP-4300, 164" Module
AM10-20	Taylor Made		AM20AAA08	Type I-HD, Terra Star, 164" Module
AM10-20	Taylor Made		AM20AAA09	Type II Sprinter, Diesel HT Van
AM10-20	Taylor Made		AM20AAA10	Type II XL, GM, Diesel HT Van
AM10-20	Taylor Made		AM20AAA11	Type II XL, GM Gas, HT Van
AM10-20	Taylor Made		AM20AAA12	Type III, E-350 DRW Gas, 144" Module
AM10-20	Taylor Made		AM20AAA13	Type III E-450 Gas DRW, 164" Module
AM10-20	Taylor Made		AM20AAA14	Type III, GM-G3500 Diesel, 144" Module
AM10-20	Taylor Made		AM20AAA15	Type III-HD, GM-G4500 Diesel, 164" Module
BB. TechOps Specialty Vehicles				
B. Light/Medium Rescue Vehicle				
AM10-20	TechOps Specialty Vehicles		AM20BBB01	ICS-LRWA-F9 Light RSQ & ESU, Ford F550, diesel, 9' walk around alum body, 7 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB02	ICS-LRWI-F9 Light RSQ & ESU Ford F550, diesel, 9' walk in alum body, 6 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB03	ICS-LRWA-R9 Light RSQ & ESU, Ram 5500, diesel, 9' walk around alum body, 7 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB04	ICS-LRWI-R9 Light RSQ & ESU Ram 5500, diesel, 9' walk in alum body, 6 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB05	ICS-LRWI-GM9 Light RSQ & ESU GM 4500 cutaway, diesel, 9' walk in alum body, 6 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB06	ICS-MRWA-F16 Medium RSQ & ESU, Ford F650, diesel, 16' walk around alum body, 9 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB07	ICS-LRWI-F16 Medium RSQ Ford F650, diesel, 16' walk in alum body, 8 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB08	ICS-U-SWAT-F9 Deployment utility, Ford E350, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches w/storage
AM10-20	TechOps Specialty Vehicles		AM20BBB09	ICS-U-SWAT-R9 Deployment utility, Ram 4500, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches w/storage
AM10-20	TechOps Specialty Vehicles		AM20BBB10	ICS-U-SWAT-GM9 Deployment utility, GM 4500 cutaway, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches w/storage
AM10-20	TechOps Specialty Vehicles		AM20BBB11	ICS-MRWA-I16 Medium RSQ & ESU, International, diesel, 16' walk around alum body, 9 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB12	ICS-LRWI-F16 Medium RSQ Ford F650, diesel, 16' walk in alum body, 6 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB13	ICS-MRWA-I16 Medium RSQ, International, diesel, 16' walk around alum body, 9 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB14	ICS-MRWI-I16 Medium RSQ, International, diesel, 16' walk in alum body, 8 comp & interior
AM10-20	TechOps Specialty Vehicles		AM20BBB15	ICS-MRWA-FL16 Medium RSQ, Freightliner, diesel, 16' walk around alum body, 9 compartments
AM10-20	TechOps Specialty Vehicles		AM20BBB16	ICS-MRWI-FL16 Medium RSQ, Freightliner, diesel, 16' walk in alum body, 8 comp & interior
C. Other Specialty Vehicle or Equipment				
AM10-20	TechOps Specialty Vehicles		AM20BBC01	ICS-SUV-C-S1 Suburban 4x4, Command, console, rear command center, emergency lighting
AM10-20	TechOps Specialty Vehicles		AM20BBC02	ICS-SUV-EOD-S1 Suburban 4x4, Bomb Tech, console, rear equipment storage, covert lighting
AM10-20	TechOps Specialty Vehicles		AM20BBC03	ICS-SUV-IO-S1 Suburban, 4x4, Communications Unit, antenna array, Interior comm center

AM10-20	TechOps Specialty Vehicles		AM20BBC04	ICS-SUV-K9-S1 Suburban 4x4, K9 kennel, temperature control, emergency lighting	
AM10-20	TechOps Specialty Vehicles		AM20BBC05	ICS-SUV-EMS-S1 Suburban 4x4, Tactical Extraction, patient transport, equipment storage	
AM10-20	TechOps Specialty Vehicles		AM20BBC06	ICS-SUV-SURV-S1 Suburban 4x4, Surveillance, covert, counter, cameras, audio	
AM10-20	TechOps Specialty Vehicles		AM20BBC07	ICS-SUV-SURV-E1 Expedition 4x4, Surveillance, covert, counter, cameras, audio	
AM10-20	TechOps Specialty Vehicles		AM20BBC08	ICS-GMPU-R1 GM 2500 Pickup, Responder, std cab, gas, 8' bed, cap, rear pull out equipment unit	
AM10-20	TechOps Specialty Vehicles		AM20BBC09	ICS-FPU-R1 Ford F250 Pickup, Responder, std cab, gas, 8' bed, cap, rear pull out equipment unit	
AM10-20	TechOps Specialty Vehicles		AM20BBC10	ICS-RPU-R1 Ram 2500 Pickup, Responder, std cab, gas, 8' bed, cap, rear pull out equipment unit	
AM10-20	TechOps Specialty Vehicles		AM20BBC11	ICS-VAN-CS-F1 Crime Scene Van, Ford Transit, 2500, gas, insulated, cabinets, scene lighting	
AM10-20	TechOps Specialty Vehicles		AM20BBC12	ICS-VAN-CS-GM1 Crime Scene Van, GM 2500, gas, insulated, cabinets, scene lighting	
AM10-20	TechOps Specialty Vehicles		AM20BBC13	ICS-VAN-CS-S1 Crime Scene Van, Sprinter 2500, diesel, insulated, cabinets, scene lighting	
AM10-20	TechOps Specialty Vehicles		AM20BBC14	ICS-VAN-PT-F1 Prisoner Transport Van, Ford Transit, 2500, gas, insulated, seating	
AM10-20	TechOps Specialty Vehicles		AM20BBC15	ICS-VAN-PT-GM1 Prisoner Transport Van, GM 2500, gas, insulated, seating	
AM10-20	TechOps Specialty Vehicles		AM20BBC16	ICS-VAN-PT-S1 Prisoner Transport Van, Sprinter 2500, diesel, insulated, seating	
AM10-20	TechOps Specialty Vehicles		AM20BBC17	ICS-VAN-SWAT-F1 Deployment Van, Ford Transit, 2500, gas, insulated, benches, rear AC	
AM10-20	TechOps Specialty Vehicles		AM20BBC18	ICS-VAN-SWAT-GM1 Deployment Van, GM 2500, gas, insulated, benches, rear AC	
AM10-20	TechOps Specialty Vehicles		AM20BBC19	ICS-VAN-SWAT-S1 Deployment Van, Sprinter 2500, diesel, insulated, benches, rear AC	
AM10-20	TechOps Specialty Vehicles		AM20BBC20	ICS-VAN-SURV-F1 Surveillance Van, Ford Transit, gas, insulated, Cameras, recorder, HVAC	
AM10-20	TechOps Specialty Vehicles		AM20BBC21	ICS-VAN-SURV-GM1 Surveillance Van, GM van, gas, insulated, Cameras, recorder, HVAC	
AM10-20	TechOps Specialty Vehicles		AM20BBC22	ICS-VAN-SURV-S1 Surveillance Van, Sprinter 2500, diesel, insulated, Cameras, recorder, HVAC	
AM10-20	TechOps Specialty Vehicles		AM20BBC23	ICS-BOX-CCI-F1 Command/Communication, Investigation, Ford F550, gas, 12' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC24	ICS-BOX-CCI-R1 Command/Communication, Investigation, Ram 5500, gas, 12' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC25	ICS-BOX-CCI-I1 Command/Communication, Investigation, International, gas, 16' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC26	ICS-BOX-CCI-FL1 Command/Communication, Investigation, Freightliner, gas, 16' commercial	
AM10-20	TechOps Specialty Vehicles		AM20BBC27	ICS-SV-CCI-F1 Command/Communication, Investigation, Step Van, gas, 20' aluminum body	
AM10-20	TechOps Specialty Vehicles		AM20BBC28	ICS-BOX-EOD-F1 Bomb Tech Unit, Ford F550, gas, 12' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC29	ICS-BOX-EOD-R1 Bomb Tech Unit, Ram 5500, gas, 12' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC30	ICS-BOX-EOD-I1 Bomb Tech Unit, International, gas, 16' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC31	ICS-BOX-EOD-FL1 Bomb Tech Unit, Freightliner, gas, 16' commercial body	
AM10-20	TechOps Specialty Vehicles		AM20BBC32	ICS-TRL-COM Command & Communications trailer, work stations, HVAC, 120 VAC power	
AM10-20	TechOps Specialty Vehicles		AM20BBC33	ICS-TRL-SCT OSPREY/RAVEN Satellite Connectivity Trailer, generator, 161"L x 87"W x 75"H	
AM10-20	TechOps Specialty Vehicles		AM20BBC34	ICS-VTR Vehicle Technology update, retrofit and evaluation	
AM10-20	TechOps Specialty Vehicles		AM20BBC35	ICS-TRL-RHB Rehab trailer, benches, galley, HVAC, 120 VAC power	
AM10-20	TechOps Specialty Vehicles		AM20BBC36	ICS-TRL-DECON Decon trailer, male-female, four station, HVAC, plumbing, 120 VAC power	
AM10-20	TechOps Specialty Vehicles		AM20BBC37	ICS-TRL-MCI Trailer, rear ramp, shelving, storage bins, equipment	
AM10-20	TechOps Specialty Vehicles		AM20BBC38	UT-R-GM Utility response unit based on GM chassis	
AM10-20	TechOps Specialty Vehicles		AM20BBC39	UT-R-FD Utility response unit based on Ford chassis	
AM10-20	TechOps Specialty Vehicles		AM20BBC40	UT-R-RAM Utility response unit based on RAM chassis	
AM10-20	TechOps Specialty Vehicles		AM20BBC41	VTR-2C Existing vehicle technology - Base	
AM10-20	TechOps Specialty Vehicles		AM20BBC42	VTR-3C Existing vehicle technology & configuration retrofit	

AM10-20	TechOps Specialty Vehicles		AM20BBC43	Mobile Command Vehicle, Base Model, F-750 Diesel Chassis, 27' Custom Aluminum Body	
AM10-20	TechOps Specialty Vehicles		AM20BBC44	Mobile Command Vehicle, F-750 Diesel Chassis, 27' Custom Aluminum Body, 25' Pneumatic Mast with PTZ Camera	
AM10-20	TechOps Specialty Vehicles		AM20BBC45	Medical Mobile Outreach Vehicle, Ford Transit, 148" WB, Ext Length, High Roof Van	
AM10-20	TechOps Specialty Vehicles		AM20BBC46	Mobile Outreach Vehicle, Library, 23' Ford E-450 Cutaway RWD Gasoline, Unicell Body	
AM10-20	TechOps Specialty Vehicles		AM20BBC47	TVBS1000, Tactical Vehicle Bed Slide, Dual Locking 300lb. Drawers (Safe for Firearms Storage, Carpet Liner), 2,000 lb. Payload Rated.	
AM10-20	TechOps Specialty Vehicles		AM20BBC48	MMT 1000, Mobile Medical Response Trailer, 14' Trailer, 7000lb. GVWR, phlebotomy and testing	
AM10-20	TechOps Specialty Vehicles		AM20BBC49	MRT 1000, Mobile Medical Rehab Trailer, 14' Trailer, 7000 lb GVWR, Integrated Litter System	
AM10-20	TechOps Specialty Vehicles		AM20BBC50	MLT 1000, Mobile Laundry Trailer, 24' Trailer, 14,000 lb GVWR, (3) Washers, (3) Dryers	
CC. Wheeled Coach					
A. Ambulance					
AM10-20	Wheeled Coach		AM20CCA01	Type I Custom Series, Ford F-350 DRW	
AM10-20	Wheeled Coach		AM20CCA02	Type I Custom Series, Ford F-450 DRW	
AM10-20	Wheeled Coach		AM20CCA03	Type I Custom Series, Ford F-550 DRW	
AM10-20	Wheeled Coach		AM20CCA04	Type I Custom Series, RAM 4500, Cummins Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA05	Type I Custom Series, RAM 5500, Cummins Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA06	Type I CitiMedic, Ford F-350 Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA07	Type I CitiMedic, Chevrolet 3500 Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA08	Type I CitiMedic, RAM 3500, Cummins Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA09	Type I Custom Series, Chevrolet CK3500	
AM10-20	Wheeled Coach		AM20CCA10	Type II, Transit, Ford (Mid-roof)	
AM10-20	Wheeled Coach		AM20CCA11	Type II, Transit, Ford (High-roof)	
AM10-20	Wheeled Coach		AM20CCA12	Type II Crusader Plus, Chevrolet G-30 SRW	
AM10-20	Wheeled Coach		AM20CCA13	Type II Sprinter Plus	
AM10-20	Wheeled Coach		AM20CCA14	Type III Custom Series, Ford E-350 DRW	
AM10-20	Wheeled Coach		AM20CCA15	Type III Custom Series, Chevrolet Cutaway Gas DRW - G3500	
AM10-20	Wheeled Coach		AM20CCA16	Type III Custom Series, Chevrolet Cutaway Gas DRW - G4500	
AM10-20	Wheeled Coach		AM20CCA17	Type III Custom Series, Ford E-450 DRW	
AM10-20	Wheeled Coach		AM20CCA18	Type VII CitiMedic, Ford E-350 DRW	
AM10-20	Wheeled Coach		AM20CCA19	Type VII CitiMedic, Chevrolet G3500 Cutaway Gas DRW	
AM10-20	Wheeled Coach		AM20CCA20	Type IX, Chevrolet 4500 Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA21	Type IX, Chevrolet 5500 Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA22	Type IX, MAV, International MV, Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA23	Type IX, MAV, International CV, Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA24	Type IX, MAV, Freightliner M2, Diesel DRW	
AM10-20	Wheeled Coach		AM20CCA25	Type IX, MAV, Ford F-650	
E. Remounts (See Section B, p. 8 Items 17-20 for specifics regarding "Remount" pricing)					
AM10-20	Wheeled Coach		AM20CCE01	Remount only - Type I	
AM10-20	Wheeled Coach		AM20CCE02	Remount only - Type III	

AM10-20	Wheeled Coach		AM20CCE03	Remount only - Medium Duty	
AM10-20	Wheeled Coach		AM20CCE04	Remount on chassis- Ford F-350 Type I	
AM10-20	Wheeled Coach		AM20CCE05	Remount on chassis - Ford F-450 Type I	
AM10-20	Wheeled Coach		AM20CCE06	Remount on chassis - Ford E-350 Type III	
AM10-20	Wheeled Coach		AM20CCE07	Remount on chassis - Ford E-450 Type III	
AM10-20	Wheeled Coach		AM20CCE08	Remount on chassis - Chevrolet C3500 Type I	
AM10-20	Wheeled Coach		AM20CCE09	Remount on chassis - Chevrolet G3500 Type III	
AM10-20	Wheeled Coach		AM20CCE10	Remount on chassis - Chevrolet G4500 Type III	
AM10-20	Wheeled Coach		AM20CCE11	Remount on chassis - RAM 3500 Type I	
AM10-20	Wheeled Coach		AM20CCE12	Remount on chassis - RAM 4500 Type I	
AM10-20	Wheeled Coach		AM20CCE13	Remount on Chassis - Chevrolet 4500 Type I	
AM10-20	Wheeled Coach		AM20CCE14	Remount on Chassis - Chevrolet 5500 Type I	
AM10-20	Wheeled Coach		AM20CCE15	Remount on chassis - International Type I	
AM10-20	Wheeled Coach		AM20CCE16	Remount on chassis - Freightliner M2 Type I	
DD. 10-75 Emergency Vehicles					
B. Light/Medium Rescue Vehicle					
AM10-20	10-75 Emergency Vehicles		AM20DDB01	10-75-FRV-7AF-F Fast Response Vehicle, Single Rear Wheel, 7' Aluminum Formed Body, Ford F350, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB02	10-75-FRV-7AF-C Fast Response Vehicle, Single Rear Wheel, 7' Aluminum Formed Body, Chevy 3500, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB03	10-75-FRV-8AF-F Fast Response Vehicle, Single Rear Wheel, 8' Aluminum Formed Body, Ford F350, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB04	10-75-FRV-8AF-C Fast Response Vehicle, Single Rear Wheel, 8' Aluminum Formed Body, Chevy 3500, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB05	10-75-FRV-9SF-C Fast Response Vehicle, Single Rear Wheel, 9' Steel Formed Body, Chevy 3500, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB06	10-75-FRV-9AF-FD Fast Response Vehicle, Dual Rear Wheel, 9' Aluminum Formed Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB07	10-75-FRV-9SF-FD Fast Response Vehicle, Dual Rear Wheel, 9' Steel Formed Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB08	10-75-FRV-9AE-FD Fast Response Vehicle, Dual Rear Wheel, 9' Aluminum Extruded Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB09	10-75-FRV-10SF-FD Fast Response Vehicle, Dual Rear Wheel, 10' Steel Formed Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB10	10-75-FRV-10AE-FD Fast Response Vehicle, Dual Rear Wheel, 10' Aluminum Extruded Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB11	10-75-FRV-12AF-FD Fast Response Vehicle, Dual Rear Wheel, 12' Aluminum Formed Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB12	10-75-FRV-12SF-FD Fast Response Vehicle, Dual Rear Wheel, 12' Steel Formed Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB13	10-75-FRV-12AE-FD Fast Response Vehicle, Dual Rear Wheel, 12' Aluminum Extruded Body, Ford F550, Front Console, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDB14	10-75-MAB-BB Medical Ambulance Bus Patient Transport	
C. Other Specialty Vehicle or Equipment					
AM10-20	10-75 Emergency Vehicles		AM20DDC01	1075-SUV-COM-EXMAX Ford Expedition MAX, Command Vehicle, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC02	1075-SUV-COM-EX Ford Expedition, Command Vehicle, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC03	1075-SUV-COM-TAH Chevrolet Tahoe, Command Vehicle, Console, Rear Command Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC04	1075-SUV-COM-SUB Chevrolet Suburban, Command Vehicle, Console, Rear Command Cabinet, LED Lighting Package	

AM10-20	10-75 Emergency Vehicles		AM20DDC05	1075-SUV-ERS-EXMAX Ford Expedition MAX, EMS Response Vehicle, Console, Rear Storage Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC06	1075-SUV-ERS-EX Ford Expedition, EMS Response Vehicle, Console, Rear Storage Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC07	1075-SUV-ERS-TAH Chevrolet Tahoe, EMS Response Vehicle, Console, Rear Storage Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC08	1075-SUV-ERS-SUB Chevrolet Suburban, EMS Response Vehicle, Console, Rear Storage Cabinet, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC09	1075-PU-COM-F Ford F350, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC10	1075-PU-COM-D Dodge Ram 3500, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC11	1075-PU-COM-C Chevrolet 3500, Command, Console, Rear Cap Topper, Rear Slide Out Command Center, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC12	1075-PU-ERS-F Ford F350, Response Vehicle, Console, Rear Cap Topper, Rear Slide Out Storage Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC13	1075-PU-ERS-D Dodge Ram 3500, Response Vehicle, Console, Rear Cap Topper, Rear Slide Out Storage Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC14	1075-PU-ERS-C Chevrolet 3500, Response Vehicle, Console, Rear Cap Topper, Rear Slide Out Storage Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC15	1075-PU-WP-F Ford F350, Composite Insert Responder Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC16	1075-PU-WP-C Chevy 3500, Composite Insert Responder Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC17	1075-PU-WP-R Dodge Ram 3500, Composite Insert Responder Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC18	1075-PU-EL-F Ford F350, Composite Body Responder Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC19	1075-PU-EL-C Chevy 3500, Composite Body Responder Vehicle, LED Lighting Package	
AM10-20	10-75 Emergency Vehicles		AM20DDC20	1075-PU-EL-R Dodge Ram 3500, Composite Body Responder Vehicle, LED Lighting Package	
EE. GEN-T Ambulance					
A. Ambulance					
AM10-20	GEN-T		AM20EEA01	Type I GT-147, Ford F-350, 169" WB DRW	
AM10-20	GEN-T		AM20EEA02	Type I GT-147, Ford F-450, 169" WB DRW	
AM10-20	GEN-T		AM20EEA03	Type I GT-147, Ford F-550, 169" WB DRW	
AM10-20	GEN-T		AM20EEA04	Type I GT-147, RAM-3500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA05	Type I GT-147, RAM-4500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA06	Type I GT-147, RAM-5500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA07	Type I GT-147, Chevy-3500, 171" WB DRW	
AM10-20	GEN-T		AM20EEA08	Type I GT-154, Ford F-350, 169" WB DRW	
AM10-20	GEN-T		AM20EEA09	Type I GT-154, Ford F-450, 169" WB DRW	
AM10-20	GEN-T		AM20EEA10	Type I GT-154, Ford F-550, 169" WB DRW	
AM10-20	GEN-T		AM20EEA11	Type I GT-154, RAM-3500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA12	Type I GT-154, RAM-4500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA13	Type I GT-154, RAM-5500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA14	Type I GT-154, Chevy-3500, 171" WB DRW	
AM10-20	GEN-T		AM20EEA15	Type I GT-158, Ford F-450, 169" WB DRW	
AM10-20	GEN-T		AM20EEA16	Type I GT-158, Ford F-550, 169" WB DRW	
AM10-20	GEN-T		AM20EEA17	Type I GT-158, RAM-4500, 168" WB DRW	

AM10-20	GEN-T		AM20EEA18	Type I GT-158, RAM-5500, 168" WB DRW	
AM10-20	GEN-T		AM20EEA19	Type I GT-171, Ford F-450, 193" WB DRW	
AM10-20	GEN-T		AM20EEA20	Type I GT-171, Ford F-550, 193" WB DRW	
AM10-20	GEN-T		AM20EEA21	Type I GT-171, RAM-4500, 192.5" WB DRW	
AM10-20	GEN-T		AM20EEA22	Type I GT-171, RAM-5500, 192.5" WB DRW	
AM10-20	GEN-T		AM20EEA23	Type III GT-147, Ford E-350, 138" WB DRW	
AM10-20	GEN-T		AM20EEA24	Type III GT-147, Chevy G-3500, 139" WB DRW	
AM10-20	GEN-T		AM20EEA25	Type III GT-154, Ford E-350, 138" WB DRW	
AM10-20	GEN-T		AM20EEA26	Type III GT-154, Chevy G-3500, 139" WB DRW	
AM10-20	GEN-T		AM20EEA27	Type III GT-167, Ford-E-450, 159" WB DRW	
AM10-20	GEN-T		AM20EEA28	Type III GT-167, Chevy-G-4500, 159" WB DRW	
AM10-20	GEN-T		AM20EEA29	Type III GT-171, Ford-E-450, 159" WB DRW	
AM10-20	GEN-T		AM20EEA30	Type III GT-171, Chevy-G-4500, 159" WB DRW	
AM10-20	GEN-T		AM20EEA31	Type II, GT-Pro, Ram Promaster, 159"WB -High Roof	
FF. FIRSTAR					
A. Ambulance					
AM10-20	FIRSTAR		AM20FFA01	Type II Ford Transit FS-MR	
AM10-20	FIRSTAR		AM20FFA02	Type II Ford Transit FS-HR	
AM10-20	FIRSTAR		AM20FFA03	Type II FS Dodge ProMaster	
AM10-20	FIRSTAR		AM20FFA04	Type I FS146 Ford F350 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA05	Type I FS146 Chevrolet C3500 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA06	Type I FS146 RAM 3500 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA07	Type III FS146 Ford E350 - Gas	
AM10-20	FIRSTAR		AM20FFA08	Type III FS146 Chevrolet 3500 - Gas	
AM10-20	FIRSTAR		AM20FFA09	Type I FS157 Ford F450 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA10	Type I FS157 Chevrolet 4x2	
AM10-20	FIRSTAR		AM20FFA11	Type I FS157 RAM 4x2	
AM10-20	FIRSTAR		AM20FFA12	Type III FS157 Ford E450	
AM10-20	FIRSTAR		AM20FFA13	Type III FS157 Chevrolet 4500	
AM10-20	FIRSTAR		AM20FFA14	Type I FS170 Ford F450 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA15	Type I FS170 Chevrolet 4500 - Gas 4x2	
AM10-20	FIRSTAR		AM20FFA16	Type I FS170 RAM 4500	
AM10-20	FIRSTAR		AM20FFA17	Type III FS170 Ford E450	
AM10-20	FIRSTAR		AM20FFA18	Type III FS170 Chevrolet 4500	
AM10-20	FIRSTAR		AM20FFA19	Type I FS157 Ford Texas Edition	
AM10-20	FIRSTAR		AM20FFA20	Type I FS157 Chevrolet Texas Edition	
AM10-20	FIRSTAR		AM20FFA21	Type I FS157 RAM Texas Edition	
AM10-20	FIRSTAR		AM20FFA22	Type III FS157 Ford Texas Edition	
AM10-20	FIRSTAR		AM20FFA23	Type III FS157 Chevrolet Texas Edition	

AM10-20	FIRSTAR		AM20FFA24	Type I FS170 Ford Texas Edition	
AM10-20	FIRSTAR		AM20FFA25	Type I FS170 Chevrolet Texas Edition	
AM10-20	FIRSTAR		AM20FFA26	Type I FS170 RAM Texas Edition	
AM10-20	FIRSTAR		AM20FFA27	Type III FS170 Ford Texas Edition	
AM10-20	FIRSTAR		AM20FFA28	Type III FS170 Chevrolet Texas Edition	
AM10-20	FIRSTAR		AM20FFA29	Type I FS 170 Medium Duty - International	
AM10-20	FIRSTAR		AM20FFA30	Type I FS170 Medium Duty - Freightliner	
GG. ENG Mobile Systems					
B. Light/Medium Rescue Vehicle					
AM10-20	ENG Mobile Systems		AM20GGB01	ENG-LRSQ-WA-F9: Custom response unit on a Ford F550, diesel with a 9' walk around aluminum body w/7 compartments	
AM10-20	ENG Mobile Systems		AM20GGB02	ENG-LRSQ-WI-F9: Custom response unit on a Ford F550, diesel with a 9' walk in aluminum body w/6 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB03	ENG-LRSQ-WA-R9: Custom response unit on a Ram 5500, diesel with a 9' walk around aluminum body w/7 compartments	
AM10-20	ENG Mobile Systems		AM20GGB04	ENG-LRSQ-WI-R9: Custom response unit on a Ram 5500, diesel with a 9' walk in aluminum body w/6 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB05	ENG-LRSQ-WA-G9: Custom response unit on a GM 5500, diesel with a 9' walk around aluminum body w/7 compartments	
AM10-20	ENG Mobile Systems		AM20GGB06	ENG-LRSQ-WI-G9: Custom response unit on a GM 5500, diesel with a 9' walk in aluminum body w/6 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB07	ENG-MRSQ-WA-F16 Custom response unit on a Ford F650, diesel, with a 16' walk around aluminum body w/9 compartments	
AM10-20	ENG Mobile Systems		AM20GGB08	ENG-MRSQ-WI-F16 Custom response unit on a Ford F650, diesel, with a 16' walk in aluminum body w/8 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB09	ENG-MRSQ-WA-I16 Custom response unit on an International diesel, with a 16' walk around aluminum body w/9 compartments	
AM10-20	ENG Mobile Systems		AM20GGB10	ENG-MRSQ-WI-I16 Custom response unit on an International diesel, with a 16' walk in aluminum body w/8 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB11	ENG-MRSQ-WA-FL16 Custom response unit on a Freightliner diesel, with a 16' walk around aluminum body w/9 compartments	
AM10-20	ENG Mobile Systems		AM20GGB12	ENG-MRSQ-WI-FL16 Custom response unit on a Freightliner diesel, with a 16' walk in aluminum body w/8 compartments and rear entry door	
AM10-20	ENG Mobile Systems		AM20GGB13	ENG-LE-F9 Tactical utility response unit on a Ford E350, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches and work stations	
AM10-20	ENG Mobile Systems		AM20GGB14	ENG-LE-R9 Tactical utility response unit on a Ram 4500, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches and work stations	
AM10-20	ENG Mobile Systems		AM20GGB15	ENG-LE-G9 Tactical utility response unit on a GM 3500, gas, 9' steel body, 6 compartments, insulated interior, HVAC, benches and work stations	
AM10-20	ENG Mobile Systems		AM20GGB16	ENG-LE-S9 Tactical utility response unit on a Sprinter, 9' steel body, 6 compartments, insulated interior, HVAC, benches and work stations	
C. Other Specialty Vehicle or Equipment					
AM10-20	ENG Mobile Systems		AM20GGC01	ENG-SUV-TS1 Tactical Suburban 4X4, with console, emergency equipment and rear storage system.	
AM10-20	ENG Mobile Systems		AM20GGC02	ENG-SUV-CS1 Command and communication Suburban 4X4, with console, emergency equipment and rear command unit	
AM10-20	ENG Mobile Systems		AM20GGC03	ENG-SUV-MS1 Medical and EMS response Suburban 4X4, with console, emergency equipment and rear equipment system.	
AM10-20	ENG Mobile Systems		AM20GGC04	ENG-SUV-RE1 Response Expedition 4X4, Control console, exterior lighting and rear storage system	
AM10-20	ENG Mobile Systems		AM20GGC05	ENG-PRU-F Response unit based on a Ford F250 pickup with emergency equipment, bed cover and pull out rear equipment system.	
AM10-20	ENG Mobile Systems		AM20GGC06	ENG-PRU-R Response unit based on a Ram 2500 pickup with emergency equipment, bed cover and pull out rear equipment system.	
AM10-20	ENG Mobile Systems		AM20GGC07	ENG-PRU-G Response unit based on a GM pickup with emergency equipment, bed cover and pull out rear equipment system.	
AM10-20	ENG Mobile Systems		AM20GGC08	ENG-VAN-MPV-F Multi purpose Ford Transit for crime scene, command and communications and other public safety missions.	
AM10-20	ENG Mobile Systems		AM20GGC09	ENG-VAN-MPV-G Multi purpose GM van for crime scene, command and communications and other public safety missions.	

AM10-20	ENG Mobile Systems		AM20GGC10	ENG-VAN-MPV-R Multi purpose Ram Promaster for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC11	ENG-VAN-MPV-S Multi purpose Sprinter for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC12	ENG-VAN-MPV-N Multi purpose Nissan Van for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC13	ENG-VAN-LAB-F "MobiLab" Ford Transit, lab interior finishing and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC14	ENG-VAN-LAB-R "MobiLab" Ram Promaster, lab interior finishing and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC15	ENG-VAN-LAB-S "MobiLab" Mobile lab Sprinter, lab interior finishing and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC16	ENG-VAN-MED-F Ford Transit for Medical Outreach, clinical interior finish, power, interview, administration and/or exam areas
AM10-20	ENG Mobile Systems		AM20GGC17	ENG-VAN-MED-S Sprinter for Medical Outreach, clinical interior finish, power, interview, administration and/or exam areas
AM10-20	ENG Mobile Systems		AM20GGC18	ENG-BT-MPT-F Multi purpose commercial body Ford F550 for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC19	ENG-BT-MPT-R Multi purpose commercial body Ram 5500 for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC20	ENG-BT-MPT-G Multi purpose commercial body GM chassis for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC21	ENG-BT-MPT-I Multi purpose commercial body International chassis for crime scene, command and communications and other public safety
AM10-20	ENG Mobile Systems		AM20GGC22	ENG-BT-MPT-FL Multi purpose commercial body Freightliner chassis for crime scene, command and communications and other public safety
AM10-20	ENG Mobile Systems		AM20GGC23	ENG-BT-MPV-FL Multi purpose large van body Freightliner chassis for crime scene, command and communications and other public safety
AM10-20	ENG Mobile Systems		AM20GGC24	ENG-BT-MPV-F Multi purpose large van body Ford chassis for crime scene, command and communications and other public safety missions.
AM10-20	ENG Mobile Systems		AM20GGC25	ENG-BT-MPRV-FL Multi purpose RV style body on Freightliner chassis for mobile outreach, command and communications, lab and other
AM10-20	ENG Mobile Systems		AM20GGC26	ENG-BT-MPRV-F Multi purpose RV style body on Ford chassis for mobile outreach, command and communications, lab and other missions.
AM10-20	ENG Mobile Systems		AM20GGC27	ENG-BT-LAB-F "MobiLab" Ford chassis, commercial body, lab interior finish and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC28	ENG-BT-LAB-R "MobiLab" Ram chassis, commercial body, lab interior finish and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC29	ENG-BT-LAB-G "MobiLab" GM chassis, commercial body, lab interior finish and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC30	ENG-BT-LAB-I "MobiLab" International chassis, commercial body, lab interior finish and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC31	ENG-BT-LAB-FL "MobiLab" Freightliner chassis, commercial body, lab interior finish and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC32	ENG-T-COM Command & Communications 24' trailer, work stations, HVAC, 120 VAC power
AM10-20	ENG Mobile Systems		AM20GGC33	ENG-T-MP Multi purpose 18' trailer for investigation, command and other public safety missions
AM10-20	ENG Mobile Systems		AM20GGC34	ENG-T-LAB "Mobilab" 24' trailer, lab finish interior and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC35	ENG-C-LAB "Mobilab" Container, lab finish interior and furnishings, power system and instrument integration
AM10-20	ENG Mobile Systems		AM20GGC36	ENG-VTR-1E Vehicle Technology update and retrofit evaluation
AM10-20	ENG Mobile Systems		AM20GGC37	ENG-VTR-1 Existing vehicle technology - Base conversion and services level 1
AM10-20	ENG Mobile Systems		AM20GGC38	ENG-VTR-2 Existing vehicle technology & configuration retrofit level 2
AM10-20	ENG Mobile Systems		AM20GGC39	ENG-T-DECON Decon trailer, male-female, four station, HVAC, plumbing, 120 VAC power
HH. Lenco Industries				
C. Other Specialty Vehicle or Equipment				
AM10-20	Lenco Industries, Inc.		AM20HHC01	BearCat G2, fully-armored tactical vehicle, F-550 chassis, 131" WB
AM10-20	Lenco Industries, Inc.		AM20HHC02	BearCat G3, fully-armored tactical vehicle, F-550 chassis, 131" WB, Off-Road edition
AM10-20	Lenco Industries, Inc.		AM20HHC03	MedCat G2, fully-armored emergency response vehicle, F-550 chassis, 131" WB, MedEvac edition
AM10-20	Lenco Industries, Inc.		AM20HHC04	MedCat G3, fully-armored emergency response vehicle, F-550 chassis, 131" WB, MedEvac Off-Road edition, (2) litter design

AM10-20	Lenco Industries, Inc.		AM20HHC05	BearCat G3 Advanced Rescue, fully-armored emergency response vehicle, F-550 chassis, 131" WB, MedEvac Off-Road edition, (4) litter design	
AM10-20	Lenco Industries, Inc.		AM20HHC06	BearCat X3, fully-armored tactical vehicle, F-550 chassis, 131" WB, Pick-up edition	
AM10-20	Lenco Industries, Inc.		AM20HHC07	BearCat X3 FireCat, fully-armored emergency response vehicle, F-550 chassis, 131" WB, Pick-up Fire Response Edition	
AM10-20	Lenco Industries, Inc.		AM20HHC08	BearCat G2 EOD, fully-armored emergency response vehicle, F-550 chassis, 131" WB, Bomb Disposal edition	
AM10-20	Lenco Industries, Inc.		AM20HHC09	BearCat G3 EOD, fully-armored emergency response vehicle, F-550 chassis, 131" WB, Bomb Disposal Off-Road edition	
AM10-20	Lenco Industries, Inc.		AM20HHC10	BearCat VIP, fully-armored tactical security vehicle, F-550 chassis, 131" WB, SUV Edition	
II. Metal Shark					
C. Other Specialty Vehicle or Equipment					
AM10-20	Metal Shark		AM20HC01	Relentless 21' Center Console	
AM10-20	Metal Shark		AM20HC02	Relentless 23' Center Console	
AM10-20	Metal Shark		AM20HC03	Relentless 26' Center Console	
AM10-20	Metal Shark		AM20HC04	Relentless 28' Center Console	
AM10-20	Metal Shark		AM20HC05	Courageous 27' Center Console	
AM10-20	Metal Shark		AM20HC06	Courageous 36' Hull	
AM10-20	Metal Shark		AM20HC07	Defiant 29' Full Cabin	
AM10-20	Metal Shark		AM20HC08	Defiant 32' Full Cabin	
AM10-20	Metal Shark		AM20HC09	Defiant 38' Full Cabin	
AM10-20	Metal Shark		AM20HC10	Defiant 45' Full Cabin	
AM10-20	Metal Shark		AM20HC11	Defiant 55' Full Cabin	
AM10-20	Metal Shark		AM20HC12	Resolute 20' Center Console	
AM10-20	Metal Shark		AM20HC13	Resolute 30' Hull	
AM10-20	Metal Shark		AM20HC14	Fearless 32' Center Console	

H-GAC

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement -

SPECIAL PROVISIONS

Incorporated by attachment, as part of the whole agreement, H-GAC and the Contractor do, hereby agree to the Special Provisions as follows:

ARTICLE 1: BIDS/PROPOSALS INCORPORATED

In addition to the whole Agreement, the following documents listed in order of priority are incorporated into the Agreement by reference: Bid/Proposal Specifications and Contractor's Response to the Bid/Proposal.

ARTICLE 2: END USER AGREEMENTS ("EUA")

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement ("EUA") with the **Contractor** through this Agreement, and that the term of the EUA may exceed the term of the current **H-GAC** Agreement. **H-GAC's** acknowledgement is not an endorsement or approval of the End User Agreement's terms and conditions. **Contractor** agrees not to offer, agree to or accept from the **END USER**, any terms or conditions that conflict with those in **Contractor's** Agreement with **H-GAC**. **Contractor** affirms that termination of its Agreement with **H-GAC** for any reason shall not result in the termination of any underlying EUA, which shall in each instance, continue pursuant to the EUA's stated terms and duration. Pursuant to the terms of this Agreement, termination of this Agreement will disallow the **Contractor** from entering into any new EUA with **END USERS**. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any EUAs, surviving termination of this Agreement between **H-GAC** and **Contractor**.

ARTICLE 3: MOST FAVORED CUSTOMER CLAUSE

Contractor shall provide its most favorable pricing and terms to **H-GAC**. If at any time during this Agreement, **Contractor** develops a regularly followed standard procedure of entering into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **Contractor** shall notify **H-GAC** within ten (10) business days thereafter, and this Agreement shall be deemed to be automatically retroactively amended, to the effective date of **Contractor's** most favorable past agreement with another entity. **Contractor** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER** as provided in its most favorable past agreement. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **Contractor** claims that a more favorable price, warranty, benefit, or term that was charged or offered to another entity during the term of this Agreement, does not constitute more favorable treatment, than **Contractor** shall, within ten (10) business days, notify **H-GAC** in writing, setting forth the detailed reasons **Contractor** believes the aforesaid offer is not in fact most favored treatment. **H-GAC**, after due consideration of **Contractor's** written explanation, may decline to accept such explanation and thereupon this Agreement between **H-GAC** and **Contractor** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties,

benefits, or terms to H-GAC and the END USER.

EXCEPTION: *This clause shall not be applicable to prices and price adjustments offered by a bidder, Proposer or contractor, which are not within bidder's/proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.*

ARTICLE 4: PARTY LIABILITY

Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to the price of the particular products/services sold hereunder. Contractor agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. Contractor accepts liability to repay, and shall repay upon demand to END USER, any amounts determined by H-GAC, its independent auditors, or any state or federal agency, to have been paid in violation of the terms of this Agreement.

ARTICLE 5: GOVERNING LAW & VENUE

Contractor and H-GAC agree that Contractor will make every reasonable effort to resolve disputes the END USER in accord with the law and venue rules of the state of purchase. **Contractor** shall immediately notify **H-GAC** of such disputes.

ARTICLE 6: SALES AND ORDER PROCESSING CHARGE

Contractor shall sell its products to **END USERS** based on the pricing and terms of this Agreement. **H-GAC** will invoice **Contractor** for the applicable order processing charge when H-GAC receives notification of an END USER order. **Contractor shall remit to H-GAC** the full amount of the applicable order processing charge, after delivery of any product or service and subsequent END USER acceptance. Payment of the Order Processing Charge shall be remitted from Contractor to H-GAC, within thirty (30) calendar days or ten (10) business days after receipt of an END USER's payment, whichever comes first, notwithstanding Contractor's receipt of invoice. For sales made by **Contractor** based on this Agreement, including sales to entities without Interlocal Agreements, **Contractor** shall pay the applicable order processing charges to **H-GAC**. Further, **Contractor** agrees to encourage entities who are not members of H-GAC's Cooperative Purchasing Program to execute an **H-GAC** Interlocal Agreement. **H-GAC** reserves the right to take appropriate actions including, but not limited to, Agreement termination if **Contractor** fails to promptly remit the appropriate order processing charge to H-GAC. In no event shall **H-GAC** have any liability to **Contractor** for any goods or services an **END USER** procures from **Contractor**. At all times, **Contractor** shall remain liable to pay to **H-GAC** any order processing charges on any portion of the Agreement actually performed, and for which compensation was received by **Contractor**.

ARTICLE 7: LIQUIDATED DAMAGES

Contractor and H-GAC agree that Contractor shall cooperate with the END USER at the time an END USER purchase order is placed, to determine terms for any liquidated damages.

ARTICLE 8: INSURANCE

Unless otherwise stipulated in Section B of the Bid/Proposal Specifications, **Contractor** must have the following insurance and coverage minimums:

- a. **General liability** insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General

Aggregate limit of at least two times the Single Occurrence limit.

Product liability insurance with a Single Occurrence limit of at least \$1,000,000.00, and a General Aggregate limit of at least two times the Single Occurrence limit for all Products except Automotive Fire Apparatus. For Automotive Fire Apparatus, see Section B of the Bid/Proposal Specifications.

Property Damage or Destruction insurance is required for coverage of **End User** owned equipment while in **Contractor's** possession, custody or control. The minimum Single Occurrence limit is \$500,000.00 and the General Aggregate limit must be at least two times the Single Occurrence limit. This insurance may be carried in several ways, e.g. under an Inland Marine policy, as art of Automobile coverage, or under a Garage Keepers policy. In any event, this coverage must be specifically and clearly listed on insurance certificate(s) submitted to **H-GAC**.

- b. Insurance coverage shall be in effect for the length of any contract made pursuant to the Bid/Proposal, and for any extensions thereof, plus the number of days/months required to *deliver* any outstanding order after the close of the contract period.
- c. Original Insurance Certificates must be furnished to **H-GAC** on request, showing **Contractor** as the insured and showing coverage and limits for the insurances listed above.
- d. If any Product(s) or Service(s) will be provided by parties other than **Contractor**, all such parties are required to carry the minimum insurance coverages specified herein, and if requested by **H-GAC**, a separate insurance certificate must be submitted for each such party.
- e. **H-GAC** reserves the right to contact insurance underwriters to confirm policy and certificate issuance and document accuracy.

ARTICLE 9: PERFORMANCE AND PAYMENT BONDS FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB); therefore, Contractor shall offer pricing that reflects this cost savings. **Contractor** shall remain prepared to offer a PPB to cover any order if so requested by the **END USER**. **Contractor** shall quote a price to **END USER** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **END USER's** purchase order.

ARTICLE 10: CHANGE OF STATUS

Contractor shall immediately notify **H-GAC**, in writing, of **ANY** change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name. Contractor shall offer written guidance to advise H-GAC if this Agreement shall be affected in any way by such change. **H-GAC** shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Agreement.

ARTICLE 11: TEXAS MOTOR VEHICLE BOARD LICENSING

All that deal in motor vehicles shall maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Agreement term, any required **Contractor** license is denied, revoked, or not renewed, **Contractor** shall be in default of this Agreement, unless the Texas Motor Vehicle

Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to **H-GAC** upon request.

H-GAC

Houston-Galveston Area Council
P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Cooperative Agreement -

GENERAL PROVISIONS

This Agreement is made and entered into, by and between the Houston-Galveston Area Council hereinafter referred to as H-GAC having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027 and _____, hereinafter referred to as the Contractor, having its principal place of business at _____.

WITNESSETH:

WHEREAS, H-GAC hereby engages the Contractor to perform certain services in accordance with the specifications of the Agreement; and

WHEREAS, the Contractor has agreed to perform such services in accordance with the specifications of the Agreement;

NOW, THEREFORE, H-GAC and the Contractor do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Contractor warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The Contractor's governing body, where applicable, has authorized the signatory official(s) to enter into this Agreement and bind the Contractor to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2: APPLICABLE LAWS

The Contractor agrees to conduct all activities under this Agreement in accordance with all applicable rules, regulations, directives, standards, ordinances, and laws, in effect or promulgated during the term of this Agreement, including without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish H-GAC with satisfactory proof of its compliance therewith.

ARTICLE 3: INDEPENDENT CONTRACTOR

The execution of this Agreement and the rendering of services prescribed by this Agreement do not change the independent status of H-GAC or the Contractor. No provision of this Agreement or act of H-GAC in performance of the Agreement shall be construed as making the Contractor the agent, servant or employee of H-GAC, the State of Texas or the United States Government. Employees of the Contractor are subject to the exclusive control and supervision of the Contractor. The Contractor is solely responsible for employee related disputes and discrepancies, including employee payrolls and any claims arising therefrom.

ARTICLE 4: WHOLE AGREEMENT

The General Provisions, Special Provisions, and Attachments, as provided herein, constitute the complete Agreement ("Agreement") between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 5: SCOPE OF SERVICES

The services to be performed by the Contractor are outlined in an Attachment to this Agreement.

ARTICLE 6: PERFORMANCE PERIOD

This Agreement shall be performed during the period which begins _____ and ends _____. All services under this Agreement must be rendered within this performance period, unless directly specified under a written change or extension provisioned under Article 15, which shall be fully executed by both parties to this Agreement.

ARTICLE 7: PAYMENT OR FUNDING

Payment provisions under this Agreement are outlined in the Special Provisions.

ARTICLE 8: REPORTING REQUIREMENTS

If the Contractor fails to submit to H-GAC in a timely and satisfactory manner any report required by this Agreement, or otherwise fails to satisfactorily render performances hereunder, H-GAC may terminate this agreement with notice as identified in Article 16 of these General Provisions. H-GAC has final determination of the adequacy of performance and reporting by Contractor. Termination of this agreement for failure to perform may affect Contractor's ability to participate in future opportunities with H-GAC. The Contractor's failure to timely submit any report may also be considered cause for termination of this Agreement.

Any additional reporting requirements shall be set forth in the Special Provisions of this Agreement.

ARTICLE 9: INSURANCE

Contractor shall maintain insurance coverage for work performed or services rendered under this Agreement as outlined and defined in the attached Special Provisions.

ARTICLE 10: SUBCONTRACTS and ASSIGNMENTS

Except as may be set forth in the Special Provisions, the Contractor agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Agreement or any right, title, obligation or interest it may have therein to any third party without prior written approval of H-GAC. The Contractor acknowledges that H-GAC is not liable to any subcontractor or assignee of the Contractor. The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Agreement as if the performance rendered was rendered by the Contractor. Contractor shall give all required notices, and comply with all laws and regulations applicable to furnishing and performance of the work. Except where otherwise expressly required by applicable law or regulation, H-GAC shall not be responsible for monitoring Contractor's compliance, or that of Contractor's subcontractors, with any laws or regulations.

ARTICLE 11: AUDIT

Notwithstanding any other audit requirement, H-GAC reserves the right to conduct or cause to be conducted an independent audit of any transaction under this Agreement, such audit may be performed by the H-GAC local government audit staff, a certified public accountant firm, or other auditors designated by H-GAC and will be conducted in accordance with applicable professional standards and practices. The Contractor understands and agrees that the Contractor shall be liable to the H-GAC for any findings that result in monetary obligations to H-GAC.

ARTICLE 12: EXAMINATION OF RECORDS

The Contractor shall maintain during the course of the work complete and accurate records of all of the Contractor's costs and documentation of items which are chargeable to H-GAC under this Agreement. H-GAC, through its staff or designated public accounting firm, the State of Texas, and United States Government, shall have the right at any reasonable time to inspect, copy and audit those records on or

off the premises by authorized representatives of its own or any public accounting firm selected by H-GAC. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. Failure to provide access to records may be cause for termination of the Agreement. The records to be thus maintained and retained by the Contractor shall include (without limitation): (1) personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of the Contractor's employees working full or part time on the work, as well as cancelled payroll checks, signed receipts for payroll payments in cash, or other evidence of disbursement of payroll payments; (2) invoices for purchases, receiving and issuing documents, and all other unit inventory records for the Contractor's stocks or capital items; and (3) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges.

The Contractor further agrees that the examination of records outlined in this article shall be included in all subcontractor or third-party agreements.

ARTICLE 13: RETENTION OF RECORDS

The Contractor and its subcontractors shall maintain all records pertinent to this Agreement, and all other financial, statistical, property, participant records, and supporting documentation for a period of no less than seven (7) years from the later of the date of acceptance of the final payment or until all audit findings have been resolved. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the seven (7) years, whichever is later, and until any outstanding litigation, audit, or claim has been fully resolved.

ARTICLE 14: CHANGES AND AMENDMENTS

- A. Any alterations, additions, or deletions to the terms of this Agreement, which are required by changes in federal or state law or by regulations, are automatically incorporated without written amendment hereto, and shall become effective on the date designated by such law or by regulation.
- B. To ensure the legal and effective performance of this Agreement, both parties agree that any amendment that affects the performance under this Agreement must be mutually agreed upon and that all such amendments must be in writing. After a period of no less than 30 days subsequent to written notice, unless sooner implementation is required by law, such amendments shall have the effect of qualifying the terms of this Agreement and shall be binding upon the parties as if written herein.

ARTICLE 15: TERMINATION PROCEDURES

The Contractor acknowledges that this Agreement may be terminated for Convenience or Default.

- A. *Convenience*
H-GAC may terminate this Agreement at any time, in whole or in part, with or without cause, whenever H-GAC determines that for any reason such termination is in the best interest of H-GAC, by providing written notice by certified mail to the Contractor. Upon receipt of notice of termination, all services hereunder of the Contractor and its employees and subcontractors shall cease to the extent specified in the notice of termination.

The Contractor may cancel or terminate this Agreement upon submission of thirty (30) days written notice, presented to H-GAC via certified mail. The Contractor may not give notice of cancellation after it has received notice of default from H-GAC.

- B. *Default*

H-GAC may, by written notice of default to the Contractor, terminate the whole or any part of the Agreement, in any one of the following circumstances:

- (1) If the Contractor fails to perform the services herein specified within the time specified herein or any extension thereof; or
- (2) If the Contractor fails to perform any of the other provisions of this Agreement for any reason whatsoever, or so fails to make progress or otherwise violates the Agreements that completion of services herein specified within the Agreement term is significantly endangered, and in either of these two instances does not cure such failure within a period often (10) days (or such longer period of time as may be authorized by H-GAC in writing) after receiving written notice by certified mail of default from H-GAC.

ARTICLE 16: SEVERABILITY

H-GAC and Contractor agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 17: FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 18: CONFLICT OF INTEREST

No officer, member or employee of the Contractor or subcontractor, no member of the governing body of the Contractor, and no other public officials of the Contractor who exercise any functions or responsibilities in the review or Contractor approval of this Agreement, shall participate in any decision relating to this Agreement which affects his or her personal interest, or shall have any personal or pecuniary interest, direct or indirect, in this Agreement.

ARTICLE 19: FEDERAL COMPLIANCE

Contractor agrees to comply with all federal statutes relating to nondiscrimination, labor standards, and environmental compliance. Additionally, for work to be performed under the Agreement or subcontract thereof, including procurement of materials or leases of equipment, Contractor shall notify each potential subcontractor or supplier of the Contractor's federal compliance obligations. These may include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) the Fair Labor Standards Act of 1938 (29 USC 676 et. seq.), (d) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990; (e) the Age Discrimination in Employment Act of 1967 (29 USC 621 et. seq.) and the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (h) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (j) any other nondiscrimination provisions in any specific statute(s)

applicable to any Federal funding for this Agreement; (k) the requirements of any other nondiscrimination statute(s) which may apply to this Agreement; (l) applicable provisions of the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 et seq.), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and the Environmental Protection Agency regulations at 40 CFR Part 15; (m) applicable provisions of the Davis- Bacon Act (40 U.S.C. 276a - 276a-7), the Copeland Act (40 U.S.C. 276c), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332), as set forth in Department of Labor Regulations at 20 CFR 5.5a; (n) the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

ARTICLE 20: CRIMINAL PROVISIONS AND SANCTIONS

The Contractor agrees to perform the Agreement in conformance with safeguards against fraud and abuse as set forth by the H-GAC, the State of Texas, and the acts and regulations of any related state or federal agency. The Contractor agrees to promptly notify H-GAC of any actual or suspected fraud, abuse, or other criminal activity through the filing of a written report within twenty-four (24) hours of knowledge thereof. Contractor shall notify H-GAC of any accident or incident requiring medical attention arising from its activities under this Agreement within twenty-four (24) hours of such occurrence. Theft or willful damage to property on loan to the Contractor from H-GAC, if any, shall be reported to local law enforcement agencies and H-GAC within two (2) hours of discovery of any such act.

The Contractor further agrees to cooperate fully with H-GAC, local law enforcement agencies, the State of Texas, the Federal Bureau of Investigation and any other duly authorized investigative unit, in carrying out a full investigation of all such incidents.

The Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against the Contractor pertaining to this Agreement or which would adversely affect the Contractor's ability to perform services under this Agreement.

ARTICLE 21: INDEMNIFICATION AND RECOVERY

H-GAC's liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgements, and liens arising as a result of Contractor's negligent act or omission under this Agreement. Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against Contractor relating to this Agreement.

ARTICLE 22: LIMITATION OF CONTRACTOR'S LIABILITY

Except as specified in any separate writing between the Contractor and an END USER, Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC, is limited to the price of the particular products/services sold hereunder, and Contractor agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will Contractor be liable for any loss of use, loss of time, inconvenience, commercial loss, loss of profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor understands and agrees that it shall be liable to repay and shall repay upon demand to

END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Agreement.

ARTICLE 23: TITLES NOT RESTRICTIVE

The titles assigned to the various Articles of this Agreement are for convenience only. Titles shall not be considered restrictive of the subject matter of any Article, or part of this Agreement.

ARTICLE 24: JOINT WORK PRODUCT

This Agreement is the joint work product of H-GAC and the Contractor. This Agreement has been negotiated by H-GAC and the Contractor and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against any party.

ARTICLE 25: DISPUTES

All disputes concerning questions of fact or of law arising under this Agreement, which are not addressed within the Whole Agreement as defined pursuant to Article 4 hereof, shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to the Contractor. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, the Contractor requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. The Contractor may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with H-GAC's final decision.

ARTICLE 26: CHOICE OF LAW: VENUE

This Agreement shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas. Disputes between END USER and Contractor are to be resolved in accordance with the law and venue rules of the state of purchase. Contractor shall immediately notify H-GAC of such disputes.

ARTICLE 27: ORDER OF PRIORITY

In the case of any conflict between or within this Agreement, the following order of priority shall be utilized: 1) General Provisions, 2) Special Provisions, 3) Scope of Work, and, 4) Other Attachments.

SIGNATURES:

H-GAC and the Contractor have read, agreed, and executed the whole Agreement as of the date first written above, as accepted by:

Signature

Name

Title

Date

H-GAC

Signature

Name Chuck Wemple

Title Executive Director

Date

CONTRACTOR CONTACT INFORMATION

ATTENTION Houston-Galveston Area Council (H-GAC) Contractor: The following information is needed to communicate with your company concerning contract matters which may arise. To expedite the process, we ask that you provide the information requested below. **During the term of this contract, notify H-GAC in writing of any changes to this information by emailing updates to: cpcontractfax@h-gac.com**

Section I

CONTRACTOR: _____	CONTRACT #: <u>AM10-20</u>
<u>Purchase Order:</u> _____	<u>Invoice:</u> _____
Contact Name: _____	Contact Name: _____
Address: _____	Address: _____
City _____ State _____ Zip Code _____	City _____ State _____ Zip Code _____
Telephone No.: _____	Telephone No.# _____
Fax No. _____	Fax No.# _____
Email Address: _____	Email Address: _____

Section II

CONTRACT INFORMATION:

Indicate the person (s) authorized to: sign contracts, request contract price increases, or other contract-related documents. A copy of your corporate resolution may be acceptable for Section II.

1. Printed Name of Signatory: _____	2. Printed Name of Signatory: _____
Corporate Title: _____	Corporate Title: _____
Tel. No.: _____	Tel. No.: _____
Fax No.: _____	Fax No.: _____
Email: _____	Email: _____

Section III

SALES CONTACT (Person who end users will contact for product information and pricing quotes)

Contact Name: _____	Title: _____
Address: _____	
Street	City State Zip
Telephone No.: _____	Fax No.: _____
Mobile No.: (optional) _____	Email: _____

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

CERTIFICATE OF INTERESTED PARTIES – FORM 1295

Certificate of Interested Parties (Form 1295 – must be filled out electronically with the Texas Ethics Commission’s online filing application, printed out, signed, notarized, and attached to proposal in the response - Section TAB A)

H-GAC is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits H-GAC from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to H-GAC at the time business entity submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission. The following **definitions** apply:

- (1) **“Business Entity”** means an entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation. TEX. GOV’T CODE § 2252.908(1).
- (2) **“Interested Party”** means a person:
 - a) who has a controlling interest in a business entity with whom H-GAC contracts; or
 - b) who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity. TEX. GOV’T CODE § 2252.908(3).
- (3) **“Controlling interest”** means:
 - a) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
 - b) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
 - c) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers. *Subsection (c) does not apply to an officer of a publicly held business entity or its wholly owned subsidiaries.* TEX. ETHICS COMM. RULE 46.3(c).
- (4) **“Intermediary”** means a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:
 - a) receives compensation from the business entity for the person’s participation;
 - b) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
 - c) is not an employee of the business entity. TEX. ETHICS COMM. RULE 46.3(e).

As a “business entity,” all vendors must:

- (1) **complete Form 1295 electronically** with the Texas Ethics Commission using the online filing application, which can be found at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
 - **All vendors must complete Form 1295, even if no interested parties exist**
 - In Section 2, insert “Houston-Galveston Area Council”
 - In Section 3, insert the H-GAC RFP # for this proposal
- (2) **print a copy of the completed form** (make sure that it has a computer-generated certification number in the “Office Use Only” box)
- (3) have an authorized agent of the business entity **sign the form**
- (4) **notarize the form**
- (5) **submit** the completed, signed, notarized Form 1295, with the certification of filing, by **attaching the form to your proposal in Section TAB A**

H-GAC must acknowledge the receipt of the filed Form 1295 by notifying the Texas Ethics Commission of the receipt of the filed Form 1295 no later than the 30th day after receipt by H-GAC. After H-GAC acknowledges the Form 1295, the Texas Ethics Commission will post the completed Form 1295 to its website with seven business days after receiving notice from H-GAC.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	OFFICE USE ONLY
1 Name of business entity filing form, and the city, state and country of the business entity's place of business.	
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.	

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20____, to certify which, witness my hand and seal of office.

Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

House Bill 89 Verification Form

Prohibition on Contracts with Companies Boycotting Israel

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

I, (authorized official) _____,
do hereby depose and verify the truthfulness and accuracy of the contents of the statements submitted on this certification under the provisions of Subtitle F, Title 10, Government Code Chapter 2270 and that the company named below:

- 1) does not boycott Israel currently; and
- 2) will not boycott Israel during the term of the contract; and
- 3) is not currently listed on the State of Texas Comptroller's Companies that Boycott Israel List located at <https://comptroller.texas.gov/purchasing/publications/divestment.php>

Company Name

Signature of Authorized Official

Title of Authorized Official

Date

Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid. Attachment A

Buyer/Agent Signature: _____
Print Name: _____
Date: _____

TITLE 13 CALIFORNIA CODE DISCLOSURE OF REGULATION APPLICABILITY:
WHEN OPERATED IN CALIFORNIA ANY OFF ROAD DIESEL VEHICLE MAY BE SUBJECT TO THE CALIFORNIA AIR RESOURCES BOARD IN-USE OFF-ROAD DIESEL VEHICLE REGULATION. IT THEREFORE COULD BE SUBJECT TO RETROFIT OR ACCELERATED TURNOVER REQUIREMENTS TO REDUCE EMISSIONS OF AIR POLLUTANTS.

Combined Disclosure of Applicability for Truck and Bus, Off-Road, and PERP
"When operated in California, any on-road heavy-duty diesel vehicle, alternative-diesel vehicle, off-road diesel vehicle, or portable diesel engine may be subject to the California Air Resources Board's Regulation to Reduce Particulate Matter and Criteria Pollutant Emissions from In-Use Heavy-Duty Diesel Vehicles, In-Use Off-Road Diesel Vehicle Regulation, or Airborne Toxic Control Measure For Diesel Particulate Matter From Portable Engines Rated At 50 Horsepower And Greater. It therefore could be subject to retrofit, exhaust retrofit, or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board websites at <https://www.arb.ca.gov/dieseltruck>, <https://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>, or

(Adopted October 20, 2000)(Amended June 4, 2004)
(Amended September 9, 2005)(Amended May 5, 2006)
(Amended June 6, 2008)

RULE 1196. CLEAN ON-ROAD HEAVY-DUTY PUBLIC FLEET VEHICLES

(a) Purpose

For public fleets of heavy-duty vehicles operating in the South Coast Air Quality Management (District), this rule requires public fleet operators to acquire alternative-fuel heavy-duty vehicles when procuring or leasing these vehicles to reduce air toxic and criteria pollutant emissions.

(b) Applicability

This rule applies to all government agencies located in the District, including federal, state, regional, county and city government departments and agencies, and any special districts such as water, air, sanitation, transit and school districts, with 15 or more heavy-duty vehicles. This rule shall not apply to vehicles or services pursuant to paragraph (f) or vehicles subject to Rules 1192, 1193, [adopted June 16, 2000], 1194 [adopted August 18, 2000], 1195 [*proposal for school buses*] or 1186.1 [adopted August 18, 2000].

(c) Definitions

For purposes of this rule, the following definitions shall apply:

- (1) ALTERNATIVE-FUEL HEAVY-DUTY ENGINE OR VEHICLE means a heavy-duty vehicle or engine that uses compressed or liquefied natural gas, propane, methanol, electricity, fuel cells, or other advanced technologies that do not rely on diesel fuel, and has been certified by the California Air Resources Board (CARB).
- (2) APPROVED CONTROL DEVICE(S) is a CARB-certified exhaust control device(s) that reduces particulate matter and possibly other precursor emissions. To be considered fitted with an approved control device(s), all diesel exhaust from the vehicle must be vented through such a device(s) that has been fitted at the time of vehicle purchase. The vehicle equipped with such a control device must use diesel fuel with a sulfur content no greater than 15 ppm.

- (3) DUAL-FUEL HEAVY-DUTY VEHICLE means a heavy-duty vehicle equipped with a diesel engine that uses an alternative fuel (such as compressed or liquefied natural gas, liquefied petroleum gas, methanol, or other advanced technologies) in combination with diesel fuel to enable compression ignition. A dual-fuel engine typically uses the alternative fuel to supply 85 percent of the total engine fuel requirement on a BTU basis. A dual-fuel engine must be certified by CARB to meet an applicable optional nitrogen oxide exhaust emission standard and be fitted with a particulate matter aftertreatment control device that achieves a particulate matter emissions level no greater than the particulate matter emissions level of the latest certified M-100 methanol engine certified by CARB prior to the date of adoption of this rule.
 - (4) EMERGENCY OR RESCUE VEHICLE means any vehicle defined in Section 165 of the California Vehicle Code and is equipped with red lights and sirens as defined in Sections 30, 25269, and 27002 of the California Vehicle Code.
 - (5) FLEET VEHICLE means any heavy-duty on-road vehicle, owned or leased by a public fleet operator that totals 15 or more heavy-duty vehicles excluding vehicles exempt under paragraphs (f)(1) and (f)(2).
 - (6) HEAVY-DUTY VEHICLE means any vehicle having a gross vehicle weight of at least 14,000 pounds.
 - (7) PUBLIC FLEET OPERATOR is a person who owns, leases, or operates heavy-duty fleet vehicles in the District. A person is a federal, state, county or city government department or agency, or special district.
 - (8) SPECIAL DISTRICT means any public agency that provides public services such as, but not limited to, sanitation, school, transit, air, and water districts.
 - (9) VEHICLE means any self-propelled, motorized device that is permitted to operate on public roads through Department of Motor Vehicle registration or the federal government.
- (d) Fleet Requirements
- Beginning July 1, 2002, for public fleet operators with 15 or more heavy-duty vehicles, all new additions to an existing fleet, or formation of a new fleet, of heavy-duty vehicles shall be by purchase or lease of:
- (1) alternative-fuel heavy-duty engine or vehicles;

Rule 1196 (cont.)

- (2) dual-fuel heavy-duty vehicles;
 - (3) dedicated gasoline heavy-duty vehicles; or
 - (4) If the fleet operator has an approved Technical Infeasibility Certification for this purchase or lease, as described in subdivision (e), a diesel-powered heavy-duty engine or vehicle with an approved control device and maintain that approved control device per manufacturer's specifications. The provisions of this paragraph shall not apply to subparagraph (e)(1)(D) after June 30, 2010.
- (e) Technical Infeasibility Certification Criteria and Procedures
- (1) No less than 60 days prior to the date of purchase or lease of a replacement or additional heavy-duty engine or vehicle, any fleet operator seeking to comply with paragraph (d)(4) shall demonstrate the technical infeasibility of complying with paragraph (d)(1), d(2), or (d)(3) requirements by submitting a signed and dated Technical Infeasibility Certification Request to the Executive Officer and attest to the accuracy of all statements therein, that shall include:
 - (A) The name and address of the public fleet operator; and
 - (B) Current heavy-duty vehicle fleet composition, including make, model; and
 - (C) Demonstration that no engine and chassis/body configuration that meets the requirements of paragraphs (d)(1), (d)(2), or (d)(3) is commercially available from any manufacturer (only technical reasons for choosing a given chassis/body configuration are acceptable) or could be used in a specific application.
 - (D) Demonstration that an alternative-fuel refueling station for alternative-fueled or dual-fuel heavy-duty vehicles that are commercially available from any manufacturer is not available within five miles of the vehicle storage or maintenance yards, or at locations where vehicles will be home-based for extended periods of time and the refueling supply is provided through mobile means.
 - (E) Demonstration that vehicles complying with paragraphs (d)(1), (d)(2), or (d)(3) exceed the incremental cost-effectiveness criteria established in accordance with the most recent requirements of the Carl Moyer Program or the Mobile Source Emission Reduction Review Committee Program, whichever is greater.

Rule 1196 (cont.)**(Amended June 6, 2008)**

- (2) Within 45 calendar days of receipt of a completed Technical Infeasibility Certification Request submitted pursuant to paragraph (e)(1), the Executive Officer will either approve or disapprove the Request, in writing. The Executive Officer shall disapprove the request if it does not meet the requirements of paragraph (e)(1). If a Technical Infeasibility Certification Request is disapproved by the Executive Officer:
 - (A) The reasons for disapproval shall be given to the applicant in writing.
 - (B) Upon receipt of a notice of a disapproved Technical Infeasibility Certification Request, the fleet operator shall comply with paragraph (d)(1), (d)(2), or (d)(3).
 - (C) The fleet operator may resubmit a Technical Infeasibility Certification Request at any time after receiving a disapproval notification or may apply for a variance with the SCAQMD Hearing Board. (See SCAQMD Regulation V and California Health and Safety Code Sections 42350 through 42372 for information regarding variances.), but must still comply with paragraph (d)(1), (d)(2), or (d)(3) until such time as the Executive Officer approves a Technical Infeasibility Certification Request under paragraph (e)(1) or a variance is given by the SCAQMD Hearing Board.
 - (3) A Technical Infeasibility Certification Request is subject to a plan filing and evaluation fees as described in Rule 306.
- (f) Exemptions
- The provisions of this rule shall not apply to the following:
- (1) Emergency or rescue vehicles operated by local, state, and federal law enforcement agencies, police and sheriffs department, fire department, hospital, medical or paramedic facility, and used for responding to situations where potential threats to life or property exist, including but not limited to fire, ambulance calls, or life-saving calls.
 - (2) Privately owned or operated heavy-duty vehicle fleets that provide contract services to a public agency. Nevertheless, privately owned or operated heavy-duty vehicle fleets may be required to meet other SCAQMD rules such as Rules 1192, 1193, 1194, or 1186.1.

Rule 1196 (cont.)

- (3) No more than ten evaluation/test vehicles per fleet, provided by or operated by vehicle manufacturer for testing or evaluation, exclusively.
- (4) Any vehicle added to or replacing a vehicle in an existing fleet after the applicable implementation date of this rule, as specified in subdivision (d), as long as the purchase contract for acquisition of such vehicle is signed before the date of adoption of this rule. This exemption does not apply to the execution of options to acquire vehicles where the option is executed after the date of adoption of this rule and where vehicle delivery does not occur until after the applicable implementation date as specified in subdivision (d).
- (5) Military vehicles used for tactical operations.
- (6) Heavy-duty vehicles used routinely to transport materials in and out of the District.
- (7) Heavy-duty vehicles operated and housed by state agencies or special districts in the Riverside County portion of the Mojave Desert Air Basin and located within the District if the vehicles are equipped with approved control devices.
- (8) When the remainder of the fleet consists of heavy-duty vehicles that meet the requirements of paragraphs (d)(1) or (d)(2),
 - (a) For public fleets with greater than 15 but less than 100 heavy-duty vehicles, no more than three (3) heavy-duty vehicles that do not meet the requirements of Subdivision (d) of this rule may be part of the fleet at any given time. Such vehicles shall be equipped with approved control devices.
 - (b) For public fleets with 100 or more heavy-duty vehicles, no more than three (3) heavy-duty vehicles that do not meet the requirements of Subdivision (d) of this rule may be part of the fleet and are garaged, housed, parked, stored at any single vehicle storage or maintenance yard at any given time. Such vehicles shall be equipped with approved control devices. A public fleet operator may deploy these vehicles and place them at any one vehicle storage or maintenance yard if the public fleet operator submits a plan to the SCAQMD demonstrating that a proportionate number of such heavy-duty vehicles is reduced at other facilities operated by the public fleet operator.

Rule 1196 (cont.)**(Amended June 6, 2008)**

- (9) Heavy-duty vehicles leased for no more than 120 days in any 12-month period by the U.S. Postal Service during the peak winter holiday period.
 - (10) Heavy-duty vehicles owned or operated by federal agencies, state agencies, county agencies, or special districts whose jurisdiction include areas outside of the District and the heavy-duty vehicles are garaged, housed, parked, stored or operated within the District for no more than 180 days in any 12-month period.
- (g) **Compliance Auditing and Enforcement**
- (1) The fleet operator shall provide at the request of the District any files and/or records created to comply with subdivision (d) including fleet-specific information, such as a list of official DMV registrations, principal vehicle location, and manufacturer, model-year, model, and fuel type and usage, of each fleet vehicle. This provision shall not apply for records that have been in existence for more than one year.
 - (2) Any fleet operator seeking an exemption under subdivision (f) shall supply proof that their vehicle or fleet is exempted from this rule when requested by the District.
- (h) **Severability**
- If any provision of this rule is held by judicial order to be invalid, or invalid or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule is held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.

Contract Summary Form

LDV, INC

SUMMARY OF SIGNIFICANT CHANGES

1. LDV, Inc. will do business in California As Wisconsin LDV, Inc
2. Contractor must deliver a Mobile Response Vehicle by October 1, 2022, unless County authorizes an extension of time in writing.

SUBCONTRACTORS

This contract, due to the nature of the services, could require the addition of subcontractors. In order to add subcontractor(s) to the contract, the provider/contractor must seek express consent from SSA. Should the addition of a subcontractor impact the scope of work and/or contract amount, SSA will bring the item back to the Board of Supervisors for approval.

CONTRACT OPERATING EXPENSES

The total not to exceed amount for this contract is \$750,000

Contract Price Schedule

ITEM	DESCRIPTION	QTY	UNIT
1	2021, or Newer, Mobile Response Vehicle (MRV)	1	EA
2	Contract Administration Fee – HGAC \$1,000.00	1	EA
3	Delivery charge to Orange County (CA)	1	EA
4	CA Tire Fee (Non-taxable)	1	EA

At the completion of the MRV, the County shall have the option to release title of ownership of County Vehicle VIN 4UZACLBW97CZ14802 to the Contractor. The Contractor shall provide County with a credit of \$25,000 toward the cost of the Mobile Response Vehicle if County exercises this option.



California
LEGISLATIVE INFORMATION

GOVERNMENT CODE - GOV

TITLE 3. GOVERNMENT OF COUNTIES [23000 - 33205]

(Title 3 added by Stats. 1947, Ch. 424.)

DIVISION 3. FINANCIAL PROVISIONS [29000 - 30608]

(Division 3 added by Stats. 1947, Ch. 424.)

CHAPTER 1. Budget and Tax Levy [29000 - 29144]

(Chapter 1 repealed and added by Stats. 1963, Ch. 1209.)

ARTICLE 6. Appropriations and Transfers [29120 - 29130]

(Article 6 added by Stats. 1963, Ch. 1209.)

29125.

(a) Transfers and revisions to the adopted appropriations may be made by an action formally adopted by the board at a regular or special meeting as follows:

(1) If between funds, by a four-fifths vote.

(2) If transfers from appropriation for contingencies, by a four-fifths vote.

(3) If between budget units within a fund if overall appropriations are not increased, by a majority vote.

(b) The board may designate the administrative officer or auditor to approve transfers and revisions of appropriations within a budget unit if the overall appropriations of the budget unit are not increased.

(Amended by Stats. 2009, Ch. 332, Sec. 55. (SB 113) Effective January 1, 2010.)

State of California

GOVERNMENT CODE

Section 29130

29130. At any regular or special meeting, the board by a four-fifths vote may make available for appropriation any of the following fund balances for which the board has authority:

(a) Restricted, committed, assigned, and unassigned fund balances, excluding the general reserves and nonspendable fund balance.

(b) Amounts that are either in excess of anticipated amounts or not specifically set forth in the budget derived from any actual or anticipated increases in financing sources.

(Amended by Stats. 2011, Ch. 382, Sec. 1.12. (SB 194) Effective January 1, 2012.)

State of California

GOVERNMENT CODE

Section 25252

25252. The board of supervisors shall establish or abolish, those funds as are necessary for the proper transaction of the business of the county, and may transfer money from one fund to another, as the public interest requires. The board may by resolution authorize the county auditor to perform one or more of these functions. The board of supervisors may, by resolution, authorize the auditor to transfer money from one fund to another if the board of supervisors has authority over each fund. Wherever reference is made elsewhere in the law to a county salary fund such reference may, upon order of the board of supervisors, after July 1, 1947, be deemed to refer to the county general fund.

(Amended by Stats. 1990, Ch. 294, Sec. 1.)



BOARD OF SUPERVISORS

MEMORANDUM

05/24/2021

To: Clerk of the Board

From: Vice Chair Doug Chaffee, 4th District
LaShe Rodriguez, Chief of Staff

Subject: Deletion-Supplemental Item 84F

A handwritten signature in blue ink that reads "Doug Chaffee".

Vice Chair Doug Chaffee respectfully requests the Clerk of the Board to delete supplemental item 84F from the agenda for the May 25, 2021 Board of Supervisors meeting, recognizing the Eritrean community and proclaiming May 24, 2021 Eritrean Independence Day.

ERITREAN INDEPENDENCE DAY

By the authority of the Orange County Board of Supervisors, the following resolution is hereby issued:

WHEREAS, Eritrea is a country located in the Horn of Africa, bordering Sudan, Djibouti, Ethiopia and the Red Sea; and

WHEREAS, Eritrea became independent on May 24, 1991 and the Eritrean American Community of Orange County will celebrate the 30th Anniversary of the Independence of the State of Eritrea on May 24, 2021; and

WHEREAS, this year is significant because Eritreans across the world will be celebrating 30 years of independence, a goal which took the Eritrean People's Liberation Front (EPLF) thirty years to achieve dating back to September 1, 1961 and ending on May 24, 1991; and

WHEREAS, like many other Eritrean communities, the Eritrean American Community of Orange County thrives towards increasing the public's awareness of Eritrean culture and history through various opportunities; and

WHEREAS, Eritrean Independence Day is a national day observed on May 24th every year, and celebrated as the nation's Independence Day; therefore be it

RESOLVED, that the County of Orange recognizes the Eritrean community contributions to the success of California and the County of Orange and proclaims May 24, 2021 Eritrean Independence Day.



BOARD OF SUPERVISORS

MEMORANDUM

05/19/2021

To: Clerk of the Board

From: Vice Chair Doug Chaffee, 4th District
LaShe Rodriguez, Chief of Staff

Subject: Supplemental Item for May 25, 2021 Board of Supervisors Meeting –
Eritrean Independence Day

RECEIVED
2021 MAY 20 AM 11:14
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

Doug Chaffee
LaShe Rodriguez

S84F

Vice Chair Doug Chaffee respectfully requests the Clerk of the Board to add a supplemental item to the agenda for the May 25, 2021 Board of Supervisors meeting, recognizing the Eritrean community and proclaiming May 24, 2021 Eritrean Independence Day.

ERITREAN INDEPENDENCE DAY

By the authority of the Orange County Board of Supervisors, the following resolution is hereby issued:

WHEREAS, Eritrea is a country located in the Horn of Africa, bordering Sudan, Djibouti, Ethiopia and the Red Sea; and

WHEREAS, Eritrea became independent on May 24, 1991 and the Eritrean American Community of Orange County will celebrate the 30th Anniversary of the Independence of the State of Eritrea on May 24, 2021; and

WHEREAS, this year is significant because Eritreans across the world will be celebrating 30 years of independence, a goal which took the Eritrean People's Liberation Front (EPLF) thirty years to achieve dating back to September 1, 1961 and ending on May 24, 1991; and

WHEREAS, like many other Eritrean communities, the Eritrean American Community of Orange County thrives towards increasing the public's awareness of Eritrean culture and history through various opportunities; and

WHEREAS, Eritrean Independence Day is a national day observed on May 24th every year, and celebrated as the nation's Independence Day; therefore be it

RESOLVED, that the County of Orange recognizes the Eritrean community contributions to the success of California and the County of Orange and proclaims May 24, 2021 Eritrean Independence Day.



County Executive Office

Memorandum

May 20, 2021

To: Clerk of the Board of Supervisors
From: Frank Kim, County Executive Officer
Subject: Exception to Rule 21

Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County of
Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2021.05.20 15:56:09 -0700

2021 MAY 20 PM 4: 21
RECEIVED
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

S84G

The County Executive Office is requesting a Supplemental Agenda Staff Report for the May 25, 2021, Board Hearing.

Agency: Health Care Agency
Subject: Approve Master Agreement for COVID-19 Mobile Vaccination Services
Districts: All Districts

Reason for supplemental: The County Executive Office is requesting this Supplemental item be placed on the May 25, 2021, Board agenda to ensure contracts are in place for mobile vaccination services after the closing of the Super PODs on June 6, 2021. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:

Andrew Do, Chairman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel

S84G



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

MEETING DATE: 05/25/21

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): All Districts

SUBMITTING AGENCY/DEPARTMENT: Health

DEPARTMENT HEAD REVIEW: DocuSigned by:
Clayton Chau
AFEE619990EB464...
Department Head Signature

DEPARTMENT CONTACT PERSON(S): Margaret Bredehoft (714) 834-3882
Clayton Chau (714) 834-2850

RECEIVED
 2021 MAY 20 PM 4:21
 CLERK OF THE BOARD
 ORANGE COUNTY
 BOARD OF SUPERVISORS

SUBJECT: Approve Master Agreement for COVID-19 Mobile Vaccination Services

CEO CONCUR

Digitally signed by Frank Kim
 DN: cn=Frank Kim, o=County of
 Orange, ou=CEO,
 email=frank.kim@ocgov.com,
 c=US
 Date: 2021.05.20 15:55:42 -0700'

CEO Signature

COUNTY COUNSEL REVIEW

Approved to Form
Action

Massoud Shamel

County Counsel Signature

CLERK OF THE BOARD

Discussion

3 Votes Board Majority

Budgeted: Yes

Current Year Cost: \$1,820,000

Annual Cost: FY 2021-22
\$18,180,000

Staffing Impact: No

of Positions:

Sole Source: No

Current Fiscal Year Revenue:

Funding Source: FED: 100% (FEMA, ELC, IAP)

County Audit in last 3 years: No

Prior Board Action: N/A

RECOMMENDED ACTION(S)

1. Approve the Master Agreement with various providers for provision of COVID-19 Mobile Vaccination Services for the term of May 25, 2021, through April 30, 2022, for an amount not to exceed \$20,000,000.
2. Authorize the County Procurement Officer or authorized Deputy to execute individual contracts under the Master Agreement as referenced in Recommended Action #1 above.
3. Pursuant to Contract Policy Manual Section 3.4-114, authorize Health Care Agency Director or designee to exercise a contingency contract cost increase, not to exceed a total of 10 percent of the Agreement amount for the first year of the Agreement, for the entire term of the Agreement, including renewals, and within the scope of work set forth in the Agreement. The use of this contingency contract cost increase is subject to approval requirements established by the County

Procurement Officer. The contingency provision would be exercised in the event there is an increase in the projected services needed for the clients being served.

SUMMARY:

Approval of the Master Agreement with multiple providers, for the provision of COVID-19 Mobile Vaccination Services, will provide the County with a transition strategy from the mass vaccination Super Point of Dispensing sites to a more flexible, cost-effective and sustainable public-private partnership model, and will allow the Health Care Agency to focus on hard to reach, hardest hit target populations as well as serve general pockets of the County residents.

BACKGROUND INFORMATION:

Currently, 48 percent (1.5 million) of our 3.2 million residents have received at least one dose of the COVID-19 vaccine. The goal for general/herd immunity is 70-85 percent, the Health Care Agency (HCA) still need to reach approximately 640,000 residents among whom are either hardest to reach, do not have the time nor access or otherwise have a challenge to receiving the vaccine.

Through April 30, 2022, the mobile vaccination effort will host clinics and pop-up HCA co-branded events capable of administering approximately 500 doses of vaccines per day in each of the five districts in the County, specifically communities that have been selected based on their ranking in the social vulnerability index. With the help of community-based, community-led businesses, civic participants and other partners, specific locations within each district will be selected based on convenience for priority populations living or working in those selected cities and towns. In addition, HCA will be deploying vaccine travel teams capable of administering approximately 150 doses of vaccine per day in select environments in underserved communities.

HCA's Mobile Vaccine Strategy Includes:

- Community Point of Dispensing – clinics in equity zip codes at familiar community facilities such as churches, community centers and other community-based sites.
- Mobile clinics – reaching seniors and other vulnerable populations where they live, through community partners and direct outreach; coordinating with various departments of education to reach faculty, staff and parents and families.
- Faith-based community clinics – coordinating with faith-based organizations in underserved, hard to reach and high-hesitancy populations.
- Strategic outreach – including homeless populations, jails, long term care and assisted living facilities; undocumented persons; lesbian, gay, bisexual, transgender and queer/questioning community; those who are human immunodeficiency virus-positive; sexual assault survivors; and homebound individuals.

Pursuant to Contract Policy Manual Section 3.4-114, HCA seeks Board of Supervisors (Board) authorization for the HCA Director, or designee, to exercise a contingency agreement cost increase in an amount not to exceed 10 percent of the Agreement amount for the first year of the Agreement, for the entire term of the Agreement, including renewals, and within the scope of work set forth in the Agreement. The use of this contingency contract cost increase is subject to approval requirements established by the County Procurement Officer. The contingency provision would be exercised in the event there is an increase in the projected services needed for the clients being served.

HCA requests that your Honorable Board approve the Master Agreement with various providers for provision of COVID-19 Mobile Vaccination Services and the delegation of authority to execute individual contracts under the Master Agreement, as referenced in the Recommended Actions.

FINANCIAL IMPACT:

Appropriations for this Agreement is included in Budget Control 042 FY 2020-21 Budget and will be included in the budgeting process for future years.

Should services need to be reduced or terminated due to lack of funding, the Agreement contains language that allows HCA to give a 30-day notice to either terminate or renegotiate the level of services to be provided. The notice will allow HCA adequate time to transition or terminate services to participants, if necessary.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A- Master Agreement MA-042-21011330 for Provision of COVID-19 Mobile Vaccination Services

Attachment B- Contract Summary Form



CONTRACT NO. MA-042-21011330

FOR

COVID-19 VACCINATION SERVICES

BETWEEN

THE COUNTY OF ORANGE
HEALTH CARE AGENCY

AND

Contract No. MA-042-21011330
FOR
COVID-19 Vaccination Services
WITH

This Contract Number MA-042-21011330 ("Contract"), is made and entered into this 25 of May, 2021 ("Effective Date") between _____ ("Contractor") with a D-U-N-S number of _____, with a place of business at _____ and County of Orange, a political subdivision of the State of California ("County"), through its Health Care Agency with a place of business at 405 W. 5th St., Suite 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to hereinafter individually as "Party" or collectively as "Parties."

ATTACHMENTS

This Contract is comprised of this documents and the following Attachments, which are attached hereto and incorporated by reference into this Contract:

- Attachment A – Scope of Work/Pricing
- Attachment B – Budget/Invoicing
- Attachment C – Certification Regarding Anti-Lobbying
- Attachment D – Business Associate Contract
- Attachment E – Personal Information Security Requirements

RECITALS

WHEREAS, on February 26, 2020, the County declared a Local Emergency, and the County's Health Officer declared a Local Health Emergency in response to COVID-19 emergency and outbreak, as necessary for the preservation of public health and safety; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency in the State of California concerning the COVID-19 emergency and outbreak; and

WHEREAS, on March 12, 2020, Governor Gavin Newsom issued Executive Order N-25-20, ordering all California residents to heed any orders and guidance of State and local public health officials, including but not limited to imposition of social distancing measures, to control the spread of COVID-19; and

WHEREAS, on March 18, 2020, the President of the United States proclaimed a national emergency concerning the COVID-19 outbreak; and

WHEREAS, on March 22, 2020, the President of United States declared a major disaster exists in the State of California and ordered Federal assistant to supplement State and local recovery efforts in the areas affected by the COVID-19 pandemic; and

WHEREAS, the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) has issued the Public Assistance Program and Policy Guide, Version 4 (Guide) that provides guidance on the availability of federal funding to states and local

governments during emergencies pursuant to Section 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act); and

WHEREAS, the Guide identifies the services/commodities described herein as an eligible cost during emergencies; and

WHEREAS, Section 601(a) and 601(d) of the Social Security Act, as added by Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides that payments from the CARES Act funds may be used to cover certain costs that are necessary expenditures with respect to the COVID-19 emergency; and

WHEREAS, County is in need of the services/commodities described herein in order to support its efforts to respond to the COVID-19 pandemic in a manner consistent with the above declarations and authorities, including the CARES Act, and any continuing executive orders and declarations as part of the on-going emergencies; and

WHEREAS, Contractor and County are entering into this Contract for COVID-19 Vaccination Services under a firm fixed fee Contract; and

WHEREAS, Contractor agrees to provide COVID-19 Vaccination Services to the County as further set forth in the Scope of Work/Pricing, attached hereto as Attachment A; and

WHEREAS, County agrees to pay Contractor based on the schedule of fees set forth in Compensation/Invoicing, attached hereto as Attachment B; and

NOW, THEREFORE, the Parties, in consideration of the above recitals, and in consideration of the mutual covenants, benefits and promises contained herein, mutually agree as follows:

DEFINITIONS

DPA shall mean the Deputy Purchasing Agent assigned to this Contract.

ARTICLES

General Terms and Conditions:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.
- B. **Entire Contract:** This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions,

alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or designee.

- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this Contract. County reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind County to accept future shipments nor deprive it of the right to return goods already accepted at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by County.
- F. **Acceptance Payment:** Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Warranty:** Contractor expressly warrants that the goods covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnities as identified in paragraph "Y" below, and as more fully described in paragraph "Y," harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "Y" below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.
- I. **Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.
- K. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- L. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.
- M. **Performance Warranty:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County

required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

- N. **Insurance Requirements:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.

If the Contractor fails to maintain insurance acceptable to the County for the full term of

this Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims-made
Professional Liability	\$1,000,000 per claims-made \$1,000,000 aggregate
Sexual Misconduct	\$1,000,000 per occurrence
Employee Dishonesty (Client Coverage)	\$100,000 per occurrence (Limit commensurate with exposure)

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the **County of Orange its elected and appointed officials, officers, agents and employees** as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT..**
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the **County of Orange, its elected and appointed officials, officers, agents and employees** or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT.**

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The County of Orange shall be the loss payee on the Employee Dishonesty coverage. A Loss Payee endorsement evidencing that the County of Orange is a Loss Payee shall accompany the Certificate of Insurance.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

If Contractor's Professional Liability and Network Security and Privacy Liability are "Claims-Made" policies, Contractor shall agree to maintain coverage for two (2) years following the completion of the Contract.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

O. **Changes:** Contractor shall make no changes in the work or perform any additional work without the County's specific written approval.

P. **Change of Ownership/Name, Litigation Status, Conflicts with County Interests:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract, and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in

Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

- Q. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- R. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information, including such information and records Contractor generates pursuant to this Contract on behalf of the County, pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees, as stated herein.
- S. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "Y" below, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- T. **Freight:** Prior to the County's express acceptance of delivery of products. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
- U. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

- V. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.
- W. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.
- X. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.
- Y. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.
- Z. **Audits/Inspections:** Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts,

records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this agreement shall be forwarded to the County's project manager.

- AA. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
- BB. **Expenditure Limit:** The Contractor shall notify the County of Orange assigned Deputy Purchasing Agent in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

Additional Terms and Conditions:

- 1. **Scope of Contract:** This Contract specifies the contractual terms and conditions by which the County shall procure COVID-19 Vaccination Services. Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as "Attachment A".
- 2. **Term of Contract:** This Contract shall commence on date May 25, 2021 through and including April 30, 2022. Contract shall be in effect for the time periods specified, unless this Contract is earlier terminated by the Parties.

3. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract, take any of the following actions either in particular or in combination:
 - a) Terminate the Contract immediately for cause, pursuant to Section 22 herein;
 - b) Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach, prior to termination pursuant to Section 22 herein;
 - c) Terminate the Contract without cause, pursuant to Section 22 herein;
 - d) Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and
 - e) Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.
4. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
5. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and subcontractors associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of the County.
6. **Conflict of Interest – County Personnel:** The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any County employee for any purpose.
7. **Contractor’s Project Manager and Key Personnel:** Contractor shall appoint a Project Manager to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This Project Manager shall be subject to approval by the County and shall not be changed without the written consent of the County’s Project Manager, which consent shall not be unreasonably withheld.

The Contractor's Project Manager shall be assigned to this project for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager from providing services to the County under this Contract. The County's Project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within five (5) business days after written notice by the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.(Note: this provision is optional for commodities and applicable for services)

8. **Contractor's Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from the County. Storage of records in another county will require written approval from the County of Orange assigned Deputy Purchasing Agent.
9. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.
10. **Cooperative Contract:** The provisions and pricing of this Contract will be extended to other California local or state governmental entities. Governmental entities wishing to use this Contract will be responsible for issuing their own purchase documents/price agreements, providing for their own acceptance, and making any subsequent payments. Contractor shall be required to include in any Contract entered into with another agency or entity that is entered into as an extension of this Contract a Contract clause that will hold harmless the County of Orange from all claims, demands, actions or causes of actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the use of this contract. Failure to do so will be considered a material breach of this Contract and grounds for immediate Contract termination. The cooperative entities are responsible for obtaining all certificates of insurance and bonds required. The Contractor is responsible for providing each cooperative entity a copy of the Contract upon request by the cooperative entity. The County of Orange makes no guarantee of usage by other users of this Contract.

The Contractor shall be required to maintain a list of the cooperative entities using this Contract. The list shall report dollar volumes spent annually and shall be provided on an annual basis to the County, at the County's request.

11. **Data – Title To:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this Contract.
12. **Default – Reprocurement Costs:** In case of Contract breach by Contractor, resulting in termination by the County, the County may procure the goods and/or services from other sources. If the cost for those goods and/or services is higher than under the terms of the existing Contract, Contractor will be responsible for paying the County the difference between the Contract cost and the price paid, and the County may deduct this cost from any unpaid balance due the Contractor. The price paid by the County shall be the prevailing market price at the time such purchase is made. This is in addition to any other remedies available under this Contract and under law.
13. **Disputes – Contract:**
 - A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the County's Project Manager, such matter shall be brought to the attention of the County Deputy Purchasing Agent by way of the following process:
 1. The Contractor shall submit to the agency/department assigned Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
 2. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.
 - B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Deputy Purchasing Agent or his designee. If the County fails to render a decision within 90 days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. Nothing in this section shall be construed as affecting the County's right to terminate the Contract for cause or termination for convenience as stated in section K herein.

14. **Drug-Free Workplace:** The Contractor hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The Contractor will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a)(1).
2. Establish a drug-free awareness program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace;
 - b. The organization's policy of maintaining a drug-free workplace;
 - c. Any available counseling, rehabilitation and employee assistance programs; and
 - d. Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355(a)(3) that every employee who works under this Contract:
 - a. Will receive a copy of the company's drug-free policy statement; and
 - b. Will agree to abide by the terms of the company's statement as a condition of employment under this Contract.

Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract or both, and the Contractor may be ineligible for award of any future County contracts if the County determines that any of the following has occurred:

1. The Contractor has made false certification, or
2. The Contractor violates the certification by failing to carry out the requirements as noted above.

15. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file in accordance with subdivision (a) of Section 6041A of the Internal Revenue Code for services received from a "service provider" to whom the

County pays \$600 or more or with whom the County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term “service provider” is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as “an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state.” The term is further defined by the California Employment Development Department to refer specifically to independent Contractors. An independent Contractor is defined as “an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California.”

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at http://www.edd.ca.gov/Employer_Services.htm

16. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the County, state or federal government, this Contract may be subjected to unusual usage. The Contractor shall service the County during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the Contractor shall apply to serving the County’s needs regardless of the circumstances. If the Contractor is unable to supply the goods/services under the terms of the Contract, then the Contractor shall provide proof of such disruption and a copy of the invoice for the goods/services from the Contractor’s supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the Contractor shall show both the emergency purchase order number and the Contract number.
17. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor’s reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after County approval thereof, County approval of Contractor’s reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.

18. **Equal Employment Opportunity:** The Contractor shall comply with U.S. Executive Order 11246 entitled, "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR, Part 60) and applicable State of California regulations as may now exist or be amended in the future. The Contractor shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, ancestry, religion, sex, marital status, political affiliation or physical or mental condition.

Regarding handicapped persons, the Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to provide equal opportunity to handicapped persons in employment or in advancement in employment or otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicaps in all employment practices such as the following: employment, upgrading, promotions, transfers, recruitments, advertising, layoffs, terminations, rate of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to comply with the provisions of Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, pertaining to prohibition of discrimination against qualified handicapped persons in all programs and/or activities as detailed in regulations signed by the Secretary of the Department of Health and Human Services effective June 3, 1977, and found in the Federal Register, Volume 42, No. 68 dated May 4, 1977, as may now exist or be amended in the future.

Regarding Americans with disabilities, Contractor agrees to comply with applicable provisions of Title 1 of the Americans with Disabilities Act enacted in 1990 as may now exist or be amended in the future.

19. **News/Information Release:** The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the County through the County's Project Manager.
20. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

For Contractor: Name:
Attention:
Address:

Telephone:
E-mail:

For County: Name: County of Orange HCA/Procurement and Contract Services
Attention: Brittany Davis
Address: 405 W. 5th St. Ste. 600
Santa Ana, CA 92701
Telephone: (714) 834-5326
E-mail: bdavis@ochca.com

CC: Name: County of Orange HCA
Attention: Anza Vang
Telephone: (714)
E-mail: AVang@ochca.com

- 21. **Precedence:** The Contract documents consist of this Contract and its Attachment and Exhibits. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, the Attachments, and then the Exhibits.
- 22. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract or any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
After receipt of a termination notice from the County of Orange, the Contractor may submit to the County a termination claim. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by the County upon written request of the Contractor. Upon termination and submission of a termination claim, County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract and subject to Article 3 and 12, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of the Contract.
- 23. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. The Contractor agrees to

supply services and/or commodities requested, as needed by the County of Orange, at rates/prices listed in the Contract, regardless of quantity requested.

24. **Usage Reports:** The Contractor shall submit usage reports on an annual basis to the assigned Deputy Purchasing Agent of the County of Orange user agency/department. The usage report shall be in a format specified by the user agency/department and shall be submitted 90 days prior to the expiration date of the contract term, or any subsequent renewal term, if applicable.
25. **Contractor Screening:** Throughout the term of this Contract, Contractor shall not be listed on any state or federal exclusionary rosters, listed below. County may screen Contractor on a monthly basis to ensure Contractor is not listed on the exclusionary rosters, listed below. In addition, Contractor is required to ensure its employee(s) are not found to be included on any of the rosters indicated below. If Contractor or its employee are found on one of the below rosters, Contractor shall be deemed in default of its obligation under this Paragraph and shall constitute a cause for County to exercise its right to terminate this Contract immediately. County, in its sole discretion, may afford Contractor an opportunity to cure said default within a reasonable time.
- i. United States Department of Health and Human Services, Office of Inspector General (OIG) List of Excluded Individuals & Entities (LEIE) (<http://exclusions.oig.hhs.gov>).
 - ii. General Services Administration (GSA) System for Award Management (SAM) Excluded Parties List (<http://sam.gov>).
 - iii. State of California Department of Health Care Services Medi-Cal Suspended and Ineligible Provider List (County Health Care Agency Internal Database).
26. **Debarment:** To the extent applicable, Contractor shall certify in writing that neither Contractor nor its employee(s) are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in a contractual transaction by any state or federal department or agency. Where Contractor is unable to certify to any of the statements in the written certification, Contractor must include a written explanation thereon for the County to consider. County shall have the right to refuse to enter into this Contract with the Contractor, or terminate this Contract if already entered into, if Contractor either fails to certify or certifies that it is subject of any debarment, pending debarment, declared ineligibility or voluntary exclusion from participation by any state or federal department or agency.
27. **Lobbying:** On the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.

28. **California Public Records Act:** Contractor and County agree and acknowledge that all information and documents related to the award and performance of this Contract are subject to disclosure pursuant to the California Public Records Act, California Government Code Section 6250 et seq.
29. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.
30. **Parking for Delivery Services:** County shall not provide free parking for delivery services.
31. **Compliance:**
- A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for the purpose of ensuring adherence to all rules and regulations related to federal and state health care programs.
1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to General Compliance and Annual Provider Trainings.
2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own compliance program, code of conduct and any compliance related policies and procedures. CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall be verified by ADMINISTRATOR's Compliance Department to ensure they include all required elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to this Agreement. These elements include:
- a. Designation of a Compliance Officer and/or compliance staff.
 - b. Written standards, policies and/or procedures.
 - c. Compliance related training and/or education program and proof of completion.
 - d. Communication methods for reporting concerns to the Compliance Officer.
 - e. Methodology for conducting internal monitoring and auditing.
 - f. Methodology for detecting and correcting offenses.
 - g. Methodology/Procedure for enforcing disciplinary standards.
3. If CONTRACTOR does not provide proof of its own compliance program to ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement a signed acknowledgement that CONTRACTOR will internally comply with

ADMINISTRATOR's Compliance Program and Code of Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete ADMINISTRATOR's annual compliance training to ensure proper compliance.

4. If CONTRACTOR elects to have its own compliance program, code of conduct and any Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement. ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor's proposed compliance program and code of conduct contain all required elements to the ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

5. Upon written confirmation from ADMINISTRATOR's compliance officer that the CONTRACTOR's compliance program, code of conduct and any compliance related policies and procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of CONTRACTOR's compliance program, code of conduct, related policies and procedures and contact information for the ADMINISTRATOR's Compliance Program.

B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Agreement monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General Services Administration's Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death Master File at date of employment, and/or any other list or system as identified by ADMINISTRATOR.

1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or CONTRACTOR's own compliance program, code of conduct and related policies and procedures if CONTRACTOR has elected to use its own).

2. An Ineligible Person shall be any individual or entity who:

- a. is currently excluded, suspended, debarred or otherwise ineligible to participate in federal and state health care programs; or
- b. has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal and state health care programs after a period of exclusion, suspension, debarment, or ineligibility.

3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or

engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this Agreement.

4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of California health programs and have not been excluded or debarred from participation in any federal or state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible Person in their employ or under contract.

5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be immediately removed from participating in any activity associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by ADMINISTRATOR.

C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance Training available to Covered Individuals.

1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's Compliance Program shall use its best efforts to encourage completion by all Covered Individuals; provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated representative to complete the General Compliance Training when offered.

2. Such training will be made available to Covered Individuals within thirty (30) calendar days of employment or engagement.

3. Such training will be made available to each Covered Individual annually.

4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide copies of training certification upon request.

5. Each Covered Individual attending a group training shall certify, in writing, attendance at compliance training. ADMINISTRATOR shall provide instruction on group training completion while CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized

Provider Training, where appropriate, available to Covered Individuals.

1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered Individuals relative to this Agreement. This includes compliance with federal and state healthcare program regulations and procedures or instructions otherwise communicated by regulatory agencies; including the Centers for Medicare and Medicaid Services or their agents.

2. Such training will be made available to Covered Individuals within thirty (30) calendar days of employment or engagement.

3. Such training will be made available to each Covered Individual annually.

4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall provide copies of the certifications upon request.

5. Each Covered Individual attending a group training shall certify, in writing, attendance at compliance training. ADMINISTRATOR shall provide instructions on completing the training in a group setting while CONTRACTOR shall retain the certifications. Upon written request by ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner and are consistent with federal, state and county laws and regulations. This includes compliance with federal and state health care program regulations and procedures or instructions otherwise communicated by regulatory agencies including the Centers for Medicare and Medicaid Services or their agents.

2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims for payment or reimbursement of any kind.

3. CONTRACTOR shall bill only for those eligible services actually rendered which are also fully documented. When such services are coded, CONTRACTOR shall use proper billing codes which accurately describes the services provided and must ensure compliance with all billing and documentation requirements.

4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in coding of claims and billing, if and when, any such problems or errors are identified.

5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by the ADMINISTRATOR.

6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and participate in the quality improvement activities developed in the implementation of the Quality Management Program.

7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural

Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9, §1810.410.subds.(c)-(d).

F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a breach of the Agreement on the part of CONTRACTOR and grounds for

COUNTY to terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Agreement on the basis of such default.

32. Contract Work Hours and Safety Standards Act:

- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- (3) *Withholding for unpaid wages and liquidated damages.* The County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- (4) *Subcontracts.* The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

33. Clean Air Act And The Federal Water Pollution Control Act:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
2. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

Federal Water Pollution Control Act

1. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

34. **Suspension and Debarment:**

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by County. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further

agrees to include a provision requiring such compliance in its lower tier covered transactions.

35. **Byrd Anti-Lobbying Amendment:**

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency. Contractor must execute the certification, as provided in Attachment C.

36. **Procurement of Recovered Materials:**

i. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired

1. Competitively within a timeframe providing for compliance with the contract performance schedule;
2. Meeting contract performance requirements; or
3. At a reasonable price.

ii. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

37. **Access To Records:**

(1) The Contractor agrees to provide County, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

(4) In compliance with the Disaster Recovery Act of 2018, the County and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

38. Department of Homeland Security (DHS) Seal, Logo, And Flags:

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

39. Compliance with Federal Law, Regulations, And Executive Orders:

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

40. No Obligation by Federal Government:

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, Contractor, or any other party pertaining to any matter resulting from the contract.

41. Program Fraud and False Or Fraudulent Statements Or Related Acts:

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

(SIGNATURE PAGE FOLLOWS)

CONTRACT SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract No. MA-042-21011330 the date set forth opposite their signatures. If the company is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor:

_____	_____
Print Name	Title
_____	_____
Signature	Date
_____	_____
Print Name	Title
_____	_____
Signature	Date

County of Orange, a political subdivision of the State of California
Purchasing Agent/Designee Authorized Signature:

_____	Deputy Purchasing Agent
Print Name	Title
_____	_____
Signature	Date

APPROVED AS TO FORM:

DocuSigned by:
 By Massoud Shamel
 79055CA571A94F8...
 Deputy

Date 5/20/2021

ATTACHMENT A SCOPE OF WORK/PRICING

Background: The County of Orange is partnering with Contractor to provide COVID-19 Vaccination Services, as described herein, to residents of Orange County. Contractor will be providing the operational services to administer COVID-19 vaccinations authorized by (i) the Food and Drug Administration (FDA) for use and (ii) by the Public Health authority for the priority populations. Recipients of the COVID-19 vaccine shall not be charged for any out-of-pocket expenses. The Orange County Health Care Agency (County) will secure and provide to Contractor FDA-authorized COVID-19 vaccines and supplies affiliated with vaccines, including the appropriate equipment, e.g., refrigeration, to store the vaccines. Contractor will be responsible for overall coordination and overall operation related to the administration of COVID-19 vaccinations including, but not limited to, providing online registration and scheduling via a secure registration system as approved by County, onsite medical consultation with patients regarding the COVID-19 vaccine, receiving appropriate authorization and consent for administering COVID-19 vaccination, coordinate with County the processing and reporting of completed patient vaccinations.

County Responsibilities:

- A. County will secure COVID-19 vaccines authorized for use by FDA.
- B. County will coordinate the registration and scheduling of vaccine recipients with Contractor, including assisting with translation of critical communications and information into Spanish, Vietnamese, Chinese and Korean.
- C. County will provide scheduling of vaccination events to Contractor in a secure manner.
- D. County will coordinate with Contractor and other partnering cities and venues the requisite messaging and outreach related to COVID-19 vaccination events.

Services to be Provided:

- A. Contractor will develop and submit a policy and procedure for management of vaccine reactions.
- B. Contractor will provide services including laboratory services, for COVID-19 vaccinations.
- C. No individuals will be charged out-of-pocket costs.
- D. Services will be appointment-based.
- E. Contractor shall supply the following items for vaccination efforts.
 - a. Personal Protective Equipment (PPE)

- b. Alcohol Pads
 - c. Needles
 - d. Syringes
 - e. Sharps Containers
 - f. Band Aids
 - g. Biohazard red bags (optional)
- F. Contractor will ensure all other necessary personnel or volunteers are available to support the event, including but not limited to, site traffic control, directing patients, and distributing health education materials.
- G. Contractor will provide overall coordination of the daily operation of the program and will be responsible for logistical aspects of clinical operations, including staffing, to administer vaccines.
- H. Contractor shall provide and assure proper control practices or use and disposal of Personal Protective Equipment, vaccines, and supplies.
- I. Contractor will provide properly licensed and qualified medical, administrative and support staff in a sufficient amount to assure vaccination services will be provided in a consistent and safe manner. This includes, but is not limited to:
- a. A full medical service team to conduct vaccinations.
 - b. Appropriately licensed medical staff to monitor and address any allergic reactions to the vaccine.
 - c. Registration/Logistics support staff to ensure a smooth registration system to get residents through vaccination lines in a timely manner and to maintain proper documentation of patient encounters.
 - d. Staff to review the immunization screening form to ensure administration of the vaccine is not contraindicated prior to administration of the vaccine.
 - e. Contractor shall engage their Chief Medical Officer or Safety Director to ensure a safe working environment for staff, personnel, and volunteers.
- J. The Vaccine Information Sheet (VIS) and California Immunization Registration (CAIR) Notice information will be provided to all patients regarding CDC regulated COVID-19 vaccine prior to immunization administration.
- K. Contractor will provide each patient with proof of vaccination, upon request by the vaccine recipient.
- L. Contractor will provide online registration with coordination with the COUNTY on scheduling patients.
- M. Written communications shall be available in English, Spanish Vietnamese, Chinese (simplified) and Korean. Bilingual Spanish and Vietnamese staff will be onsite for verbal communication.
- N. Contractor will notify the Orange County Health Care Agency in the event of any adverse reactions within one business day of the event and a final log of each administration of vaccine as set per CAIR and VIS requirements.

License and Certification:

1. At least one of the Contractor's principals shall be licensed in the State of California pursuant to Title 17, California Code of Regulations for provision of health care. The Contractor shall be eligible to participate as a provider in (bill services to) Medi-Cal, Medicare, CalOptima

Health Networks (including pre-authorizations), most commercial insurers, and the US Health Resource and Services Administration (HRSA).

2. Any independent contractors of the Contractor shall be licensed in the State of California for appropriate clinical ancillary services or as a clinical laboratory, and shall be eligible to participate as a provider in (bill services to) Medi-Cal, Medicare, CalOptima Health Networks (including pre-authorizations), most commercial insurers, and the HRSA.
3. All Contractor's personnel providing services under this Contract requiring professional licensure or certification pursuant to Title 17, California Code of Regulations, Section 1029, et, seq., must hold current valid licensure or certification from the State of California Department of Public Health and meet all applicable standards for all work performed.
4. Contractor shall have available and provide a sufficient number of licensed/certified personnel to effectively service all locations and schedules specified herein, plus any additional facilities that may be added to the Contract, by mutual written agreement of both Parties, during the COVID-19 vaccination Contract period.

Additional terms:

- A. Contractor is solely responsible for Vaccination Services, as described herein, and assuring all services are compliant with the applicable laws and public health and medical standards and guidelines/guidance.
- B. Contractor is responsible for all costs associated with providing the Vaccine Services, described herein, and shall not make or submit any claims for payment against or to County for expenses.
- C. All locations and associated expenses shall be agreed upon by both Parties prior to their set up and being incurred.
- D. Any substantive changes to scheduling, capacity, service model, laboratory services (including tests utilized and specimen collection type), registration processes, staffing composition, etc., shall be agreed to by both Parties prior to implementation.
- E. Any unforeseen circumstances causing a disruption in the provision of COVID-19 Vaccination Service should be reported immediately to the COUNTY. In such event, Contractor shall cancel all appointments with appropriate notification as soon as practicable and reschedule them to the extent possible.
- F. Payment Obligations: County shall be the payer of last resort for COVID-19 Vaccination Services set forth herein. Contractor shall bill all available insurance plans, the U.S. Health Services Resources Administration (HRSA), and any other third-party responsible for payment including, but not limited to, employers, for payment for the COVID-19 Vaccination Services provided to any County resident pursuant to this Contract, to the greatest extent possible. Contractor agrees that any payments, either full or partial, received from any third-party shall be considered payment in full for the Vaccination Services provided to the individual pursuant to this Contract and that such payment shall absolve the County of any and all financial responsibility for these services except as stated below. Contractor further agrees that it will not charge any co-payment to individuals who received COVID-19 Vaccination Services pursuant to this Contract.

Contractor will provide a report of claim data to the County on a monthly basis. The County agrees to work with the Contractor in good faith, and to assist the Contractor in addressing and resolving any claim related issues with payers, including but not limited to commercial payers, government payers, and Independent Practice Association payers.

Pricing: For uncompensated COVID-19 vaccination services, including meritorious denied claims, Contractor agrees to accept the following maximum rate of **\$40 per dose** of COVID-19 vaccination.

The County's payment of uncompensated COVID-19 vaccination services is limited to the following:

- i. COVID-19 vaccination services requested by the County without third-party information and/or authorized to be billed to the individual.
- ii. Claims legally denied by insurers or HRSA for vaccination ordered by County.
- iii. Claims legally denied by insurers or HRSA for vaccination ordered by providers of health care partnering with the County at designated vaccination sites. This only applies to vaccination provided at vaccination sites and dates specifically authorized by the County in writing.

For mobile vaccination events, Contractor may charge up to **\$500 per event**, to assist with logistical costs for mobile events that are above and beyond usual and customary operational needs to deliver the COVID-19 Vaccination Services. These costs shall be proposed and submitted by Contract to County in advance and approved by the County in advance of the mobile vaccination events.

**ATTACHMENT B
BUDGET/INVOICING**

1. The Contract is a fixed price contract not to exceed the aggregate amount of Twenty Million dollars (\$20,000,000) for the entire term of the Contract. All payments shall be made in arrears. Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work/Attachment A.
2. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.
3. **Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor’s letterhead for goods delivered and/or services rendered. Each invoice will have a number and will include the following information:
 - a. Contractor’s name and address
 - b. Contractor’s remittance address
 - c. Contractor’s Taxpayer ID Number
 - d. Name of County Agency/Department
 - e. Delivery/service address
 - f. Master Agreement (MA) number
 - g. Agency/Department’s Account Number, if applicable
 - h. Date of invoice
 - i. Product/service description, quantity, and prices
 - j. Sales tax, if applicable
 - k. Freight/delivery charges, if applicable
 - l. Total

The responsibility for providing acceptable invoices to County for payment rests with Contractor. Incomplete or incorrect invoices are not acceptable and shall be returned to Contractor.

Invoice and support documentation are to be emailed to csinvoices@ochca.com

4. **Payment (Electronic Funds Transfer)**
County offers Contractor the option of receiving payment directly to its bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT shall also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address shall need to be provided to County via an EFT Authorization Form. Contractor may request a form from the agency/department representative listed in the Contract.

ATTACHMENT C

CERTIFICATION REGARDING ANTI-LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date

ATTACHMENT D
BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

1. The Parties agree that the terms used, but not otherwise defined below in Paragraph B, shall have the same meaning given to such terms under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and their implementing regulations at 45 CFR Parts 160 and 164 (“the HIPAA regulations”) as they may exist now or be hereafter amended.

2. The Parties agree that a business associate relationship under HIPAA, the HITECH Act, and the HIPAA regulations between the Contractor and County arises to the extent that Contractor performs, or delegates to subcontractors to perform, functions or activities on behalf of County pursuant to, and as set forth in, the Contract MA-042-21011330 that are described in the definition of “Business Associate” in 45 CFR § 160.103.

3. The County wishes to disclose to Contractor certain information pursuant to the terms of the Contract MA-042-21011330, some of which may constitute Protected Health Information (“PHI”), as defined below in Subparagraph B.10, to be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the Contract MA-042-21011330.

4. The Parties intend to protect the privacy and provide for the security of PHI that may be created, received, maintained, transmitted, used, or disclosed pursuant to the Contract MA-042-21011330 in compliance with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act, and the HIPAA regulations as they may exist now or be hereafter amended.

5. The Parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

6. The Parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9 and B.14, apply to the Contractor in the same manner as they apply to a covered entity (County). Contractor agrees therefore to be in compliance at all times with the terms of this Business Associate Contract and the applicable standards, implementation specifications, and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and electronic PHI created, received, maintained,

transmitted, used, or disclosed pursuant to the Contract MA-042-21011330.

B. DEFINITIONS

1. "Administrative Safeguards" are administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic PHI and to manage the conduct of Contractor's workforce in relation to the protection of that information.

2. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

a. Breach excludes:

i. Any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of Contractor or County, if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule.

ii. Any inadvertent disclosure by a person who is authorized to access PHI at Contractor to another person authorized to access PHI at the Contractor, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

iii. A disclosure of PHI where Contractor or County has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

b. Except as provided in paragraph (a) of this definition, an acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following factors:

i. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

ii. The unauthorized person who used the PHI or to whom the disclosure was made;

iii. Whether the PHI was actually acquired or viewed; and

iv. The extent to which the risk to the PHI has been mitigated.

3. "Data Aggregation" shall have the meaning given to such term under the HIPAA

Privacy Rule in 45 CFR § 164.501.

4. “Designated Record Set” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

5. “Disclosure” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

6. “Health Care Operations” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

7. “Individual” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

8. “Physical Safeguards” are physical measures, policies, and procedures to protect Contractor’s electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion.

9. “The HIPAA Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

10. “Protected Health Information” or “PHI” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

11. “Required by Law” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.103.

12. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.

13. “Security Incident” means attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. “Security incident” does not include trivial incidents that occur on a daily basis, such as scans, “pings”, or unsuccessful attempts to penetrate computer networks or servers maintained by Contractor.

14. “The HIPAA Security Rule” shall mean the Security Standards for the Protection of electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

16. “Technical safeguards” means the technology and the policy and procedures for its use that protect electronic PHI and control access to it.

17. “Unsecured PHI” or “PHI that is unsecured” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of Health and Human Services in the guidance issued on the HHS Web site.

18. “Use” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

1. Contractor agrees not to use or further disclose PHI County discloses to Contractor other than as permitted or required by this Business Associate Contract or as required by law.

2. Contractor agrees to use appropriate safeguards, as provided for in this Business Associate Contract and the Contract MA-042-CONTRACT NUMBER, to prevent use or disclosure of PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County other than as provided for by this Business Associate Contract.

3. Contractor agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR Part 164 with respect to electronic PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County.

4. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of PHI by Contractor in violation of the requirements of this Business Associate Contract.

5. Contractor agrees to report to County immediately any Use or Disclosure of PHI not provided for by this Business Associate Contract of which Contractor becomes aware. Contractor must report Breaches of Unsecured PHI in accordance with Paragraph E below and as required by 45 CFR § 164.410.

6. Contractor agrees to ensure that any Subcontractors that create, receive, maintain, or transmit PHI on behalf of Contractor agree to the same restrictions and conditions that apply through this Business Associate Contract to Contractor with respect to such information.

7. Contractor agrees to provide access, within fifteen (15) calendar days of receipt of a written request by County, to PHI in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under 45 CFR § 164.524.

8. Contractor agrees to make any amendment(s) to PHI in a Designated Record Set that County directs or agrees to pursuant to 45 CFR § 164.526 at the request of County or an Individual, within thirty (30) calendar days of receipt of said request by County. Contractor agrees to notify County in writing no later than ten (10) calendar days after said amendment is

completed.

9. Contractor agrees to make internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, County available to County and the Secretary in a time and manner as determined by County or as designated by the Secretary for purposes of the Secretary determining County's compliance with the HIPAA Privacy Rule.

10. Contractor agrees to document any Disclosures of PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County, and to make information related to such Disclosures available as would be required for County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.

11. Contractor agrees to provide County or an Individual, as directed by County, in a time and manner to be determined by County, that information collected in accordance with the Contract MA-042-21011330, in order to permit County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.

12. Contractor agrees that to the extent Contractor carries out County's obligation under the HIPAA Privacy and/or Security rules Contractor will comply with the requirements of 45 CFR Part 164 that apply to County in the performance of such obligation.

13. Contractor shall work with County upon notification by Contractor to County of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph B.2.a above.

D. SECURITY RULE

1. Contractor shall comply with the requirements of 45 CFR § 164.306 and establish and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR § 164.308, § 164.310, § 164.312, and § 164.316 with respect to electronic PHI County discloses to Contractor or Contractor creates, receives, maintains, or transmits on behalf of County. Contractor shall follow generally accepted system security principles and the requirements of the HIPAA Security Rule pertaining to the security of electronic PHI.

2. Contractor shall ensure that any subcontractors that create, receive, maintain, or transmit electronic PHI on behalf of Contractor agree through a contract with Contractor to the same restrictions and requirements contained in this Paragraph D of this Business Associate Contract.

3. Contractor shall report to County immediately any Security Incident of which it becomes aware. Contractor shall report Breaches of Unsecured PHI in accordance with

Paragraph E below and as required by 45 CFR § 164.410.

E. BREACH DISCOVERY AND NOTIFICATION

1. Following the discovery of a Breach of Unsecured PHI , Contractor shall notify County of such Breach, however both Parties agree to a delay in the notification if so advised by a law enforcement official pursuant to 45 CFR § 164.412.

a. A Breach shall be treated as discovered by Contractor as of the first day on which such Breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor.

b. Contractor shall be deemed to have knowledge of a Breach, if the Breach is known, or by exercising reasonable diligence would have known, to any person who is an employee, officer, or other agent of Contractor, as determined by federal common law of agency.

2. Contractor shall provide the notification of the Breach immediately to the County Privacy Officer at:

OCIT CEO SECURITY	HCA INFORMATION TECHNOLOGY
<p>Linda Le, CHPC, CHC, CHP County Privacy Officer 1501 E. St. Andrews Place, 2nd Fl. Santa Ana, CA 92705 Office: (714) 834-4082 E-Mail: linda.le@ceoit.ocgov.com privacyofficerinbox@ceoit.ocgov.com</p>	<p>David Castellanos IT Security Officer 200 W. Santa Ana Blvd., Ste. 1000 Santa Ana, CA 92701 Office: (714) 834-3433 E-Mail: dcastellanos@ochca.com</p>

a. Contractor’s notification may be oral, but shall be followed by written notification within twenty-four (24) hours of the oral notification.

3. Contractor’s notification shall include, to the extent possible:

a. The identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Contractor to have been, accessed, acquired, used, or disclosed during the Breach;

b. Any other information that County is required to include in the notification to

Individual under 45 CFR §164.404 (c) at the time Contractor is required to notify County or promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

(1) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(2) A description of the types of Unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(3) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;

(4) A brief description of what Contractor is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and

(5) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

4. County may require Contractor to provide notice to the Individual as required in 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the County.

5. In the event that Contractor is responsible for a Breach of Unsecured PHI in violation of the HIPAA Privacy Rule, Contractor shall have the burden of demonstrating that Contractor made all notifications to County consistent with this Paragraph E and as required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or disclosure of PHI did not constitute a Breach.

6. Contractor shall maintain documentation of all required notifications of a Breach or its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

7. Contractor shall provide to County all specific and pertinent information about the Breach, including the information listed in Section E.3.b.(1)-(5) above, if not yet provided, to permit County to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as practicable, but in no event later than fifteen (15) calendar days after Contractor's initial report of the Breach to County pursuant to Subparagraph E.2 above.

8. Contractor shall continue to provide all additional pertinent information about the Breach to County as it may become available, in reporting increments of five (5) business days after the last report to County. Contractor shall also respond in good faith to any reasonable

requests for further information, or follow-up information after report to County, when such request is made by County.

9. Contractor shall bear all expense or other costs associated with the Breach and shall reimburse County for all expenses County incurs in addressing the Breach and consequences thereof, including costs of investigation, notification, remediation, documentation or other costs associated with addressing the Breach.

F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

1. Contractor may use or further disclose PHI County discloses to Contractor as necessary to perform functions, activities, or services for, or on behalf of, County as specified in the Contract MA-042-CONTRACT NUMBER, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by County except for the specific Uses and Disclosures set forth below.

a. Contractor may use PHI County discloses to Contractor, if necessary, for the proper management and administration of Contractor.

b. Contractor may disclose PHI County discloses to Contractor for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor, if:

i. The Disclosure is required by law; or

ii. Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person and the person immediately notifies Contractor of any instance of which it is aware in which the confidentiality of the information has been breached.

c. Contractor may use or further disclose PHI County discloses to Contractor to provide Data Aggregation services relating to the Health Care Operations of Contractor.

2. Contractor may use PHI County discloses to Contractor, if necessary, to carry out legal responsibilities of Contractor.

3. Contractor may use and disclose PHI County discloses to Contractor consistent with the minimum necessary policies and procedures of County.

4. Contractor may use or disclose PHI County discloses to Contractor as required by law.

G. OBLIGATIONS OF COUNTY

1. County shall notify Contractor of any limitation(s) in County's notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Contractor's Use or Disclosure of PHI.

2. County shall notify Contractor of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect Contractor's Use or Disclosure of PHI.

3. County shall notify Contractor of any restriction to the Use or Disclosure of PHI that County has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's Use or Disclosure of PHI.

4. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by County.

H. BUSINESS ASSOCIATE TERMINATION

1. Upon County's knowledge of a material breach or violation by Contractor of the requirements of this Business Associate Contract, County shall:

a. Provide an opportunity for Contractor to cure the material breach or end the violation within thirty (30) business days; or

b. Immediately terminate the Contract MA-042-21011330, if Contractor is unwilling or unable to cure the material breach or end the violation within thirty (30) days, provided termination of the Contract MA-042-21011330 is feasible.

2. Upon termination of the Contract MA-042-21011330, Contractor shall either destroy or return to County all PHI Contractor received from County or Contractor created, maintained, or received on behalf of County in conformity with the HIPAA Privacy Rule.

a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents of Contractor.

b. Contractor shall retain no copies of the PHI.

c. In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon determination by County that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Business Associate Contract to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as Contractor maintains such PHI.

3. The obligations of this Business Associate Contract shall survive the termination of the Contract MA-042-21011330.

ATTACHMENT E

PERSONAL INFORMATION PRIVACY AND SECURITY CONTRACT

Any reference to statutory, regulatory, or contractual language herein shall be to such language as in effect or as amended.

A. DEFINITIONS

1. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall include a "PII loss" as that term is defined in the CMPPA.

2. "Breach of the security of the system" shall have the meaning given to such term under the California Information Practices Act, Civil Code § 1798.29(d).

3. "CMPPA Agreement" means the Computer Matching and Privacy Protection Act Agreement between the Social Security Administration and the California Health and Human Services Agency (CHHS).

4. "DHCS PI" shall mean Personal Information, as defined below, accessed in a database maintained by the COUNTY or California Department of Health Care Services (DHCS), received by CONTRACTOR from the COUNTY or DHCS or acquired or created by CONTRACTOR in connection with performing the functions, activities and services specified in the Agreement on behalf of the COUNTY.

5. "IEA" shall mean the Information Exchange Agreement currently in effect between the Social Security Administration (SSA) and DHCS.

6. "Notice-triggering Personal Information" shall mean the personal information identified in Civil Code section 1798.29(e) whose unauthorized access may trigger notification requirements under Civil Code § 1709.29. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or

voice print, a photograph or a biometric identifier. Notice-triggering Personal Information includes PI in electronic, paper or any other medium.

7. "Personally Identifiable Information" (PII) shall have the meaning given to such term in the IEA and CMPPA.

8. "Personal Information" (PI) shall have the meaning given to such term in California Civil Code § 1798.3(a).

9. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand

jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

10. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PI, or confidential data utilized in complying with this Agreement; or interference with system operations in an information system that processes, maintains or stores PI.

B. TERMS OF AGREEMENT

1. Permitted Uses and Disclosures of DHCS PI and PII by CONTRACTOR. Except as otherwise indicated in this Exhibit, CONTRACTOR may use or disclose DHCS PI only to perform functions, activities, or services for or on behalf of the COUNTY pursuant to the terms of the Agreement provided that such use or disclosure would not violate the California Information Practices Act (CIPA) if done by the COUNTY.

2. Responsibilities of CONTRACTOR

CONTRACTOR agrees:

a. Nondisclosure. Not to use or disclose DHCS PI or PII other than as permitted or required by this Personal Information Privacy and Security Contract or as required by applicable state and federal law.

b. Safeguards. To implement appropriate and reasonable administrative, technical, and physical safeguards to protect the security, confidentiality and integrity of DHCS PI and PII, to protect against anticipated threats or hazards to the security or integrity of DHCS PI and PII, and to prevent use or disclosure of DHCS PI or PII other than as provided for by this Personal Information Privacy and Security Contract. CONTRACTOR shall develop and maintain a written information privacy and security program that include administrative, technical and physical safeguards appropriate to the size and complexity of CONTRACTOR's operations and the nature and scope of its activities, which incorporate the requirements of Paragraph (c), below. CONTRACTOR will provide COUNTY with its current policies upon request.

c. Security. CONTRACTOR shall ensure the continuous security of all computerized data systems containing DHCS PI and PII. CONTRACTOR shall protect paper documents containing DHCS PI and PII. These steps shall include, at a minimum:

- 1) Complying with all of the data system security precautions listed in

Paragraph E of the Business Associate Contract, Attachment D to the Agreement; and

2) Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III-Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

3) If the data obtained by CONTRACTOR from COUNTY includes PII, CONTRACTOR shall also comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and DHCS, known as the Information Exchange Agreement (IEA). The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. CONTRACTOR also agrees to ensure that any of CONTRACTOR's agents or subcontractors, to whom CONTRACTOR provides DHCS PII agree to the same requirements for privacy and security safeguards for confidential data that apply to CONTRACTOR with respect to such information.

d. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of DHCS PI or PII by CONTRACTOR or its subcontractors in violation of this Personal Information Privacy and Security Contract.

e. CONTRACTOR's Agents and Subcontractors. To impose the same restrictions and conditions set forth in this Personal Information and Security Contract on any subcontractors or other agents with whom CONTRACTOR subcontracts any activities under the Agreement that involve the disclosure of DHCS PI or PII to such subcontractors or other agents.

f. Availability of Information. To make DHCS PI and PII available to the DHCS and/or COUNTY for purposes of oversight, inspection, amendment, and response to requests for records, injunctions, judgments, and orders for production of DHCS PI and PII. If CONTRACTOR receives DHCS PII, upon request by COUNTY and/or DHCS, CONTRACTOR shall provide COUNTY and/or DHCS with a list of all employees, contractors and agents who have access to DHCS PII, including employees, contractors and agents of its subcontractors and agents.

g. Cooperation with COUNTY. With respect to DHCS PI, to cooperate with and assist the COUNTY to the extent necessary to ensure the DHCS's compliance with the applicable terms of the CIPA including, but not limited to, accounting of disclosures of DHCS PI, correction of errors in DHCS PI, production of DHCS PI, disclosure of a security breach involving DHCS PI

and notice of such breach to the affected individual(s).

h. Breaches and Security Incidents. During the term of the Agreement, CONTRACTOR agrees to implement reasonable systems for the discovery of any breach of unsecured DHCS PI and PII or security incident. CONTRACTOR agrees to give notification of any beach of unsecured DHCS PI and PII or security incident in accordance with Paragraph F, of the Business Associate Contract, Attachment D to the Agreement.

i. Designation of Individual Responsible for Security. CONTRACTOR shall designate an individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for carrying out the requirements of this Personal Information Privacy and Security Contract and for communicating on security matters with the COUNTY.

Contract Summary Form

Master Agreement MA-042-21011330

SUMMARY OF SIGNIFICANT CHANGES

N/A

SUBCONTRACTORS

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
Unknown at this time	Unknown at this time	Unknown at this time

CONTRACT OPERATING EXPENSES

Service	Rate
Payer of Last Resort – COVID-19 Vaccination Cost (Medicare Rate)	\$40/dose
Logistics fees (only authorized upon approval by County in advance)	Not to Exceed \$500/ event.
TOTAL CONTRACT NOT TO EXCEED AMOUNT	\$20,000,000



OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

333 West Santa Ana Boulevard, Suite 407
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.ocgov.com

LEON J. PAGE
COUNTY COUNSEL

Agenda Item No. SCS- 2

May 25, 2021

MEMORANDUM

May 12, 2021

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

RECEIVED
2021 MAY 12 AM 10:42
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

I am requesting a supplemental closed session on Tuesday, May 25, 2021, to discuss with the Board the status of existing litigation, pursuant to Government Code section 54956.9(d)(1).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL --
EXISTING LITIGATION Pursuant to Government Code Section
54956.9(d)(1).
Name of Case: *Lynda Ayleen Kangas v. County of Orange*
Case Number: 8:18-CV-02063-JVS-DFM

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.

LJP:jb

cc: Members of the Board of Supervisors
Frank Kim, CEO



OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

333 West Santa Ana Boulevard, Suite 407
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.ocgov.com

LEON J. PAGE
COUNTY COUNSEL

Agenda Item No. SCS- 3
May 25, 2021

MEMORANDUM

May 12, 2021

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

RECEIVED
2021 MAY 12 AM 10:12
CLERK OF THE BOARD
OF SUPERVISORS
ORANGE COUNTY
CALIFORNIA

I am requesting a supplemental closed session on Tuesday, May 25, 2021, to discuss with the Board the status of existing litigation, pursuant to Government Code section 54956.9(d)(1).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL --
EXISTING LITIGATION Pursuant to Government Code Section
54956.9(d)(1).
Name of Case: *Lisa Anderson v. County of Orange*
Case Number: 30-2019-01061944-CU-OE-CJC

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.



LJP:jb

cc: Members of the Board of Supervisors
Frank Kim, CEO



OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

333 West Santa Ana Boulevard, Suite 407
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.ocgov.com

LEON J. PAGE
COUNTY COUNSEL

Agenda Item No. SCS- 4
May 25, 2021

MEMORANDUM

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

May 12, 2021
RECEIVED
2021 MAY 12 AM 10:42
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

I am requesting a supplemental closed session on Tuesday, May 25, 2021, to discuss with the Board the status of existing litigation, pursuant to Government Code section 54956.9(d)(1).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL --
EXISTING LITIGATION Pursuant to Government Code Section
54956.9(d)(1).
Name of Case: *Diana Alvarez, et al., v. County of Orange*
Case Number: SACV 19-02072

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.

LJP:jb

cc: Members of the Board of Supervisors
Frank Kim, CEO

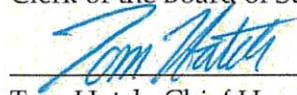


County Executive Office
Memorandum

May 20, 2021

To: Clerk of the Board of Supervisors

From:


Tom Hatch, Chief Human Resources Officer

Concur:


Frank Kim, County Executive Officer

Subject: Request for a Supplemental Closed Session for May 25, 2021

RECEIVED
2021 MAY 20 PM 3:13
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

SCSS

Human Resource Services requests a Supplemental Closed Session on May 25, 2021 with the County's designated negotiating representative, Tom Hatch, to discuss terms and conditions of employment for employees represented by the Orange County Employees Association (OCEA), pursuant to Government Code Section 54957.6.

Accordingly, please prepare the Agenda item to read:

Human Resource Services requests a Supplemental Closed Session on May 25, 2021 with the County's designated negotiating representative, Tom Hatch, to discuss terms and conditions of employment for employees represented by the Orange County Employees Association (OCEA), pursuant to Government Code Section 54957.6.

RECOMMENDED ACTION: Conduct Closed Session

Thank you,

cc: Members, Board of Supervisors
Frank Kim, CEO
Leon J. Page, County Council