

0150-12727-0001

**TRANSMITTAL**

TO  
The Council

DATE  
10/2/2024

COUNCIL FILE NO.

FROM  
The Mayor

COUNCIL DISTRICT  
2,3,4,6,7,12

**REVISED PROPOSED PERSONAL SERVICES CONTRACT BETWEEN THE BUREAU OF  
SANITATION (BOS) AND ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES FOR  
RESIDENTIAL BLUE-BIN PROCESSING FROM THE EAST AND WEST VALLEY  
WASTESHEDS**

Transmitted for your consideration.  
See the City Administrative Officer report attached.



MAYOR

(Carolyn Webb de Macias for)

MWS/PJH/JVW:jq/amm:10250063t - Revised

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

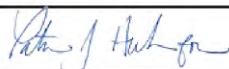
To: The Mayor	Date: 09/16/24	C.D. No. 2, 3, 4, 6, 7, 12	CAO File No.: 0150-12727-0001
Contracting Department/Bureau: Public Works: Bureau of Sanitation		Contact: Nicholas Nuccio – (213) 820-5685 Nancy Lantin – (213) 485-2158	
Reference: Transmittal from the Board of Public Works dated July 10, 2024; Board meeting June 28, 2024; referred for report on July 10, 2024			
Purpose of Contract: Processing of residential blue-bin recycling materials collected from the East Valley and West Valley wastesheds			
Type of Contract: (X) New contract ( ) Amendment, Contract No.		Contract Term Dates: Five years from execution, with two five-year renewal options, and month-to-month extensions for up to six months for a total potential term of 15 years and six months	
Contract/Amendment Amount: N/A. Compensation is based on formulas related to local and international recycling markets. The range is between zero dollars and \$382,933,012 million over the course of 15 years. The potential cost over the initial five year period is \$87,134,565.			
Proposed amount N/A + Prior award(s) \$0 = Total N/A			
Source of funds: Solid Waste Resources Revenue Fund (SWRRF) No. 508			
Name of Contractor: Arakelian Enterprises, Inc. dba Athens Services			
Address: 14048 Valley Blvd., City of Industry, CA 91746			
	Ye s	No	N/ A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 27.00%			
Contractor has complied with:	Ye s	No	N/ A
8. Business Inclusion Program	X		
9. Equal Benefits & First Source Hiring Ordinances	X		
10. Contractor Responsibility Ordinance	X		
11. Disclosure Ordinances	X		
12. Bidder Certification CEC Form 50	X		
13. Prohibited Contributors (Bidders) CEC Form 55	X		
14. California Iran Contracting Act of 2010	X		

## RECOMMENDATION

That the City Council authorize the Board of Public Works (Board), or two members of the Board, on behalf of the Bureau of Sanitation, to execute the proposed Personal Services Contract with Arakelian Enterprises, Inc. dba Athens Services for the processing and marketing of City collected recyclables in the East Valley and West Valley wastesheds for an initial five-year term, with two five-year renewal options, for a total potential term of fifteen years, which has been previously approved by the Board, and subject to approval by the City Attorney as to form. Compensation will be provided on a monthly basis and subject to the availability of funds.

## SUMMARY

In accordance with Executive Directive No. 3 (Villaraigosa series), the Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau), requests approval to execute a new personal services contract (Contract) with Arakelian Enterprises, Inc. dba Athens Services (Athens) for the receipt,

Jessica Quach			
JPQ/AMM	Analyst	10250063	City Administrative Officer



processing, and marketing of City collected recyclables in the East Valley (EV) and West Valley (WV) wastesheds. The Board's July 10, 2024 action proposes a five-year term, with two five-year renewal options and as an option to continue the Contract for up to six months on a month-to-month basis. Under the terms of the Contract, Athens will receive and process up to 450 tons of recyclable (blue-bin) waste from the East and West Valley wastesheds. Blue-bin materials include cardboard, mixed paper, metals, glass, and plastics. The Contract does not have a cost ceiling as the cost is dependent on market value of the blue bin material. The initial five-year cost can range from zero dollars to \$87,134,565, with the potential cost over the entire term of 15 years and six months of \$382,933,012.

The City Attorney has approved the Contract as to form and the Board adopted the report recommending approval of the proposed Contract at its meeting on June 28, 2024. In accordance with Los Angeles City Charter Section 373 and Los Angeles Administrative Code Section 10.5(a), execution of the Contract requires Council approval as the total term exceeds three years. Our Office reviewed the request and recommends approval.

## **Background**

Assembly Bill 939's compliance requirements mandate the City maintain an annual landfill diversion rate of 50 percent. A major contributor to the City's compliance efforts is the residential curbside recycling, or blue bin, program. City staff, using City-owned refuse collection vehicles, provide blue bin and other waste collection services to single-family and small multi-family residences throughout the City. The City does not own recycling processing facilities and contracts with various vendors to receive, sort, process, and sell, as applicable, recyclable materials on behalf of the City in its six wastesheds – North Central, South Los Angeles, West Los Angeles, Harbor, East Valley, and West Valley.

*Prior agreements and continuation of service* – The City previously contracted with CR&R Inc. (CR&R) to process and market curbside recyclables from the EV wasteshed (C-127919, C.F. 16-0589), and City Fibers Incorporated for the WV wasteshed (C-129688, C.F. 17-0634). Both contracts were terminated early due to significant changes in the market for blue bin materials, namely China's "National Sword" policy, which eliminated many possible sales avenues for residential materials recycling and made the contracts obsolete. In addition, CR&R's facilities underwent renovation and could not receive blue bin materials. As a result of the market changes and subsequent early termination of contracts, the Bureau issued a Request for Proposals (RFP) in February 2020 for curbside recyclables processing for the City's six wastesheds. Athens was deemed to be the most responsive bidder; however, due to various delays including the effects of the COVID-19 pandemic, no final long-term contract was approved or executed.

To ensure undisrupted services during the interim period until award and execution of the RFP, the Board approved several Letters of Agreement (LOA) with Athens, CR&R and Sun Valley Paper Stock (Sun Valley) for the receipt and processing of blue bin materials. In 2019, the Board approved a two-year LOA with Athens for blue bin processing in both the EV and WV wastesheds for a term starting July 1, 2019 through June 30, 2021 and a maximum cost of \$9,000,000. The Board approved two additional LOAs from 2021 through 2023, both with cost ceilings of \$9,000,000 each. As no long-term contract was established through the RFP issues in 2020, the Bureau reissued an RFP in October 2023 for curbside recyclables processing for the EV and WV wastesheds. To continue undisrupted services during the interim period until award and execution of the reissued RFP, the Board approved an LOA

with Athens for EV and WV wasteshed blue bin processing from July 1, 2023 through June 30, 2024 for a maximum of \$11,000,000.

*Request For Proposals (RFP) Process* – In October 2023, the Board authorized the Bureau to issue an RFP for the processing and marketing of approximately 450 tons of blue-bin materials for the EV and WV wastesheds. The Bureau received three proposals: from American Reclamation, Inc. (ARI), Athens, Sun Valley, and Waste Management (WM). ARI subsequently rescinded its proposal leaving three proposals for consideration. The Bureau's Centralized Contract Unit reviewed the proposals for compliance with the Business Inclusion Program Outreach requirements and deemed all three proposals to be responsive. The Bureau then evaluated and scored the proposals based on the following criteria:

- Qualification and Experience: 10 points
- Workers Safety Requirement: 10 points
- Technical and Financial Requirements: 30 points
- Compensation Proposal: 50 points

After evaluations and negotiations, Athens was determined to be the best qualified proposer and was selected for contract award. Additional details on the RFP process, evaluations, rankings and the eventual awarding of the contract to Athens are discussed in detail in Attachment 1, Page 2-7.

*Scope of Work* – Under the proposed Contract, Athens will provide the receipt, transfer, and processing of residential blue-bin materials from the EV and WV wastesheds collected by the Bureau. Athens will perform these duties, while complying with the following requirements:

- Provide facilities with sufficient processing capacity, including contingent facilities in case of slowdowns or emergency conditions;
- Process blue-bin materials using appropriate sorting equipment and technologies;
- Bail, store, and prepare the processed materials for shipment to domestic and international markets;
- Provide emergency support in processing materials from the City's other wastesheds;
- Conduct three waste characterization studies annually;
- Provide invoices with reports on the tonnage of inbound and recovered materials;
- Calculate the blended value of the blue-bin materials delivered by the City;
- Comply with all Federal, State, County, and local rules, ordinances, laws and permits applicable to the facility, services, and operations described in the Contract

Failure of the Contractor to comply with these requirements will result in liquidated damages in accordance with the provisions in Article 9 of the proposed Contract.

*Compensation for Services* – Invoicing will occur monthly according to a formula using a fixed Processing Unit Cost (PUC) of \$128.75 per ton, which includes operational costs such as labor, fuel, maintenance, rent, taxes, insurance, and contaminant disposal. The PUC is subject to discounts based on the value of commodities, recyclable blue bin materials. Monthly compensation will be determined by the value of the Blended Value (BV) in relation to the PUC. The BV is the accepted blue bin material in an average load. BV is calculated by adding the scrap value (SV), which is the price of the material at the point of sale, to the California Refund Value, which are the payments made to Athens by

CalRecycle for the recycling of certain materials, multiplied by the recovery rate (RR), the amount of materials recovered divided by the tons of all recyclable and contaminated materials processed:

$$BV = (SV + CRV) * RR$$

When the BV is less than the PUC, Athens will share 100% of the revenue of the sold commodities with the City. The BV will be reduced by the PUC and the net amount represents the Service Fee (SF):

$$SF = BV - PUC$$

When the BV is greater than the PUC, Athens will not charge a SF and will share 70% of the profit with the City. This net amount represents the Revenue Sharing (RS) due to the City:

$$RS = BV - (PUC * 70\%)$$

For all unprocessed material received from the City, Athens will charge a flat rate of \$77 per ton for handling, transportation, and disposal. The rate of the PUC for each subsequent year of the Contract is based on a maximum five percent increase per year as the Consumer Price Index can fluctuate. The PUC of \$128.75 per ton is an increase from \$101 per ton in the previous LOA.

The compensation under this Contract will fluctuate based on recycling markets. As such, the Contract does not include a cost ceiling. The Bureau estimates that the Contract may range from having no cost or costs as high as \$87,134,565 over the initial five year period depending on the BV. The estimate cost increases to \$382,933,012 over the entire term. Funding is provided by the Solid Waste Revenue Resources Fund, which currently receives an appropriation from the General Fund. The 2024-25 Adopted Budget includes \$9,679,055 for blue-bin processing.

## **CITY COMPLIANCE**

On July 27, 2023, the Bureau filed a Notice of Intent to Contract. On August 24, 2023, in accordance with Charter Section 1022, the Personnel Department determined that City workers cannot perform the work intended for contracting and that the work can be performed more feasibly by a contractor. Additionally, the City does not currently possess the facilities or mechanisms required to collect, process, or market recyclable commodities. Athens has pledged to adhere to the City's defined Business Inclusion Program and the Bureau has provided detailed information on Athens' BIP participation levels on page nine and 10 of its report. All other City requirements and standard contract provisions have been adhered to.

The City Attorney has reviewed the proposed Contract as to form. In accordance with Los Angeles City Charter Section 373 and Los Angeles City Administrative Code Section 10.5(a), execution of the Contract requires Council approval as the total term exceeds three years.

## **FISCAL IMPACT STATEMENT**

The execution of the proposed Contract will have no additional impact to the General Fund. Funding in the amount of \$9,679,055 is provided by the Solid Waste Resources Revenue Fund (SWRRF). Future funding is contingent upon Council approval of the funds as part of the annual budget process. The

Contract includes an obligation limitation clause which limits the City's obligation to make payments to funds which have been appropriated for the stated purpose. As the SWRRF is currently subsidized by the General Fund, there may be an impact in subsequent years of the term.

## **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's financial policies in that expenditures of special funds are limited to the mandates of the funding sources.

Attachment - Transmittal from the Board of Public Works dated July 10, 2024

*MWS/PJH/JVW:jq/amm:10250063*

**BOARD OF PUBLIC WORKS  
MEMBERS**

**AURA GARCIA**  
PRESIDENT

**M. TERESA VILLEGAS**  
VICE PRESIDENT

**DR. MICHAEL R. DAVIS**  
PRESIDENT PRO TEMPORE

**VAHID KHORSAND**  
COMMISSIONER

**SUSANA REYES**  
COMMISSIONER

**CITY OF LOS ANGELES**

CALIFORNIA



**KAREN BASS**  
MAYOR

**OFFICE OF THE  
BOARD OF PUBLIC WORKS**

**TJ KNIGHT**  
ACTING EXECUTIVE OFFICER

200 NORTH SPRING STREET  
ROOM 361, CITY HALL  
LOS ANGELES, CA 90012

TEL: (213) 978-0261  
TDD: (213) 978-2310  
FAX: (213) 978-0278

<http://bpw.lacity.org>

July 10, 2024

**BPW-2024-0389**

The Honorable Mayor Bass  
City Hall – Room 320  
Los Angeles, CA 90012  
Attn: Heleen Ramirez

**PERSONAL SERVICES CONTRACT – EAST VALLEY AND WEST VALLEY  
WASTESHEDS**

As recommended in the accompanying report from the Directors of the Bureau of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works (Board) recommends that the Mayor and City Council:

1. AUTHORIZE to execute a Personal Services Contract for the processing and marketing of blue-bin materials from the East Valley and West Valley Wastesheds of the City of Los Angeles to Arakelian Enterprises Inc., dba Athens Services; and
2. AUTHORIZE, the President or two members of the Board to Execute the contract.

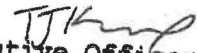
Fiscal Impact: The primary funding source for this contract is from the Solid Waste Resources Revenue Fund No. 508. Depending on the fluctuations in the recycling market, there may be occasions where additional support from the General Fund is necessary.

Sincerely,

TJ KNIGHT,  
Acting Executive Officer, Board of Public Works

TK:lc

DEPARTMENT OF PUBLIC WORKS  
BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California  
AND REFERRED TO THE MAYOR  
JUN 28 2024  
AND REFERRED TO THE CITY COUNCIL  
  
Executive Officer  
Board of Public Works

CD: 2,3,4,7,12

AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICES CONTRACT FOR THE PROCESSING AND MARKETING OF BLUE-BIN MATERIALS FROM THE EAST VALLEY AND WEST VALLEY WASTESHEDS OF THE CITY OF LOS ANGELES TO ARAKELIAN ENTERPRISES INC., DBA ATHENS SERVICES (W.O. #S02MBLUE)

---

### RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract for the processing and marketing of blue-bin materials from the East Valley and West Valley Wastesheds of the City of Los Angeles (City) to Arakelian Enterprises Inc., dba Athens Services (Athens) (OBE; LBE).
2. Upon the Mayor's and Council's authorization, the President or two (2) members of the Board will execute the contract.

### FISCAL IMPACT STATEMENT

The primary funding source for this contract is from the Solid Waste Resources Revenue Fund No. 508. Depending on the fluctuations in the recycling market, there may be occasions where additional support from the General Fund is necessary.

### TRANSMITTALS

1. Copy of the LASAN and Bureau of Contract Administration (BCA) Joint Board Report No. 1 adopted October 13, 2023, authorizing LASAN distribute a Request for Proposals (RFP) and to negotiate a contract for the Processing and Marketing of Blue-Bin Materials Collected from the East Valley and West Valley Wastesheds.
2. Copy of the proposed Personal Services Contract between the City and Athens.

### DISCUSSION

#### **Background**

LASAN's curbside blue-bin collection program plays a crucial role in the City's Green New Deal initiative, assisting in the achievement of its environmental objectives. These objectives include diverting 90% of solid waste from landfills by 2025, and complying with the State's AB 939 mandate requiring jurisdictions to divert 50% of solid waste from landfills. This program not only supports sustainability but also contributes significantly to waste reduction and environmental preservation within the City's boundaries.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 2

Currently, LASAN provides collection services for blue-bin materials to approximately 750,000 households across six (6) wastesheds, with four (4) in the South (North Central, South Los Angeles, West Los Angeles, and Harbor), and two (2) in the Valley (East Valley and West Valley). These materials, including cardboard, mixed paper, cartons, metals, glass, and plastics, are collected and sent to contracted facilities for processing. The City does not have its own Material Recovery Facility (MRF) and relies on contracted services for processing and marketing these materials.

In February 2020, LASAN released a Request for Proposals (RFP) for processing and marketing blue-bin materials from all six (6) wastesheds. While a long-term contract was successfully awarded to CR&R (C-139435) for the South wastesheds, no contract was finalized for the Valley wastesheds. Athens was selected to handle the Valley wastesheds temporarily while long-term negotiations were ongoing. To ensure the continued processing and marketing of the blue-bin materials in the Valley wastesheds, LASAN established yearly Letters of Agreement (LOAs) with Athens. However, contract negotiations with Athens did not reach a successful conclusion, prompting LASAN to issue a new RFP. Understanding the temporary nature of the LOAs and the need for a long-term solution, the Board authorized LASAN in October 2023, to reissue the RFP specifically targeting the Valley wastesheds (Transmittal No. 1).

This new RFP was posted on the Regional Alliance Marketplace for Procurement (RAMP) on October 18, 2023, and proposals were received by December 8, 2023. Following a thorough evaluation and selection process, Athens is recommended as the contractor for processing and marketing blue-bin materials in the Valley wastesheds, as doing so will satisfy the interests of the City. While LASAN initially aimed to explore more cost-effective alternatives to present to City leadership, the terms proposed by the proposers restricted the ability to do so.

LASAN's blue bin material from the Valley is currently estimated to contain a contamination level of 50%. This underscores the urgency for the City to have a reliable and efficient long-term solution for processing blue-bin materials.

### **The RFP Process**

The RFP aimed to select a qualified vendor with a strong background in operational performance, technical abilities, and cost effectiveness to provide all-inclusive services for the processing and marketing of approximately 450 tons per day of blue-bin materials collected from the East Valley and West Valley wastesheds.

The RFP outlined the range of services required, which included receiving materials at an MRF or at a transloading facility for subsequent hauling to an MRF; sorting materials into their respective commodity streams, baling, and preparing them for shipment; transporting shipments to the nearest port or sale location; collecting and accounting for revenue, including sales; legally disposing of contaminants and residues; and complying with all federal, state, county, and local laws. In addition, the RFP emphasized the importance of proposals that focused on North American and domestic markets (US, Mexico, and Canada), considering them highly desirable. The RFP also encouraged proposers to present alternative options or unique solutions. Furthermore, the RFP required proposers to provide contingency services to address emergency

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 3

or adverse conditions that may arise at their own or any contracted facilities. The RFP also required proposers to use facilities that comply with the City's Facilities Certification Plan, as approved by the Board.

On the submission deadline, a total of four (4) proposals were received from American Reclamation, Inc. (ARI), Athens, Sun Valley Paper Stock, Inc. (SVPS), and Waste Management (WM). On January 4, 2024, ARI rescinded its proposal. The remaining three (3) proposals were then sent to LASAN's Centralized Contract Unit (CCU) for evaluation of their compliance with the Business Inclusion Program (BIP) Outreach requirements. CCU's evaluation deemed all three (3) proposals were responsive to those requirements.

The evaluation process then moved to the Evaluation Committee, which consisted of five (5) raters: three (3) raters from the Solid Resources Support Services Division, one (1) rater from the Solid Resources Citywide Recycling Division, and one (1) rater from the Solid Resources Valley Collection Division. The Evaluation Committee assessed the proposals based on the criteria established in the RFP. The RFP expressly reserved to the City the right to select the proposer whose proposal would satisfy the interests of the City, and not necessarily on the basis of price alone or any other single factor.

(Continued on next page)



BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 4

**Proposal Evaluations**

Proposals were evaluated and ranked based on the evaluation criteria specified in the RFP, which included Qualification and Experience (10 points), Workers Safety Requirement (10 points), Technical and Financial Requirements (30 points), and Compensation Proposal (50 points), as shown in Table 1.

Table 1: Evaluation Criteria for Proposals

No.	Evaluation Criteria	Points
1	<b>Qualification and Experience</b> <ul style="list-style-type: none"> <li>At least 4 years' operational experience</li> <li>Statement of Qualifications</li> </ul>	0 – 10
2	<b>Workers Safety Requirement</b> <ul style="list-style-type: none"> <li>Statement of workplace policies and procedures</li> <li>OSHA citations and Log of Work-Related Injuries and Illnesses for past 5 years</li> </ul>	0 - 10
3	<b>Technical and Financial Requirements</b> <ul style="list-style-type: none"> <li>Facility location and proximity</li> <li>Capability, capacity, and contingency plans</li> <li>Adequate facilities, advanced separation equipment, supplies and staffing</li> <li>Permit and regulatory compliance</li> <li>Financial statements</li> </ul>	0 - 30
4	<b>Compensation Proposal</b> <ul style="list-style-type: none"> <li>Processing Unit Cost (base fee to perform service)</li> <li>Revenue Sharing (commitment to sharing with the City profits from selling recovered materials, known as Blended Value)</li> </ul>	0 - 50
<b>Total Maximum Points</b>		<b>100</b>

Table 2 presents the ranks and scores for each proposer, along with points awarded for being or utilizing a certified Local Business Enterprise (LBE).

Table 2. Scores and Ranks of the Proposals

Rank	Proposer	Score
1	WM (LBE)	100.4
2	Athens (LBE)	99.7
3	SVPS (OBE)	62.9
N/A	ARI (OBE)	N/A

(Continued on next page)

### **Evaluation Findings**

The three (3) proposals were reviewed for completeness. A short summary of findings of each proposer follows:

- Athens Services

Athens submitted a proposal to process 450 tons per day of the Valley's blue-bin materials at its Sun Valley Material Recovery Facility (SV MRF). Sun Valley MRF is equipped with state-of-the-art sorting technology and advanced environmental controls, including a fully enclosed MRF with negative air pressure and misting systems, ensuring optimal conditions for managing materials.

Additionally, Athens included a contingency plan involving Crown Recycling to address any potential disruptions at the SV MRF due to adverse conditions or holidays. This alternative facility is conveniently located within a 10-mile radius of both East Valley and West Valley yards.

Athens presented a compensation plan with competitive pricing that includes a Processing Unit Cost (PUC) rate. This rate is subject to discounts based on commodity values. As part of this plan, Athens committed to offering the City credits that surpass the market average for various commodities, including aluminum foil and plastic clamshell containers. When the Blended Value of the commodities is less than the PUC, Athens will share 100% of any revenue from selling the commodities with the City. This shared revenue will be reflected as a discount on the service fee charged to the City, reducing the service fee charged by the amount of such revenue. Conversely, when the Blended Value exceeds the PUC, Athens will not charge a service fee and will instead share 70% of the resulting profit with the City.

In its response to the RFP, Athens specified a crucial condition: it was willing to engage in a contract with the City only if it could secure both wastesheds. Athens emphasized the strategic importance of these wastesheds for its operations, underscoring that its commitment was contingent on winning both. Athens further emphasized that it would not proceed with a contract covering only one of the two wastesheds, and instead would pursue other options under such circumstances.

- Sun Valley Paper Stock (SVPS)

SVPS submitted a proposal to process 450 tons per day of the Valley's blue-bin materials at its Sun Valley facility. This facility, currently serving as both a transfer station and a processor of source-separated recyclables, requires retrofitting and enclosure to meet recycLA requirements for commingled recyclables processing.

SVPS indicated a willingness to process and market materials that other proposers may not handle, such as plastic #4 and plastic bags. While its proposal for a fixed-fee compensation arrangement may be comparatively higher than other proposers, especially when recycled commodity markets are thriving, SVPS did not offer any discounts to the City from the sale of the recycling commodities. This makes them a potentially less cost-effective choice.

Currently, SVPS also lacks essential sorting equipment and faces compliance issues with recycLA requirements. Although SVPS's proposal includes plans to address these shortcomings, there is uncertainty regarding the timely implementation of these improvements. SVPS's facility is not adequately equipped to handle the volume of traffic required to process 450 tons of materials per day, as it has limited square footage and lacks queuing space for City trucks. Between this and its lack of contingent tipping sites, SVPS would only be able to effectively process a portion of the City's material.

During negotiations, SVPS presented a proposal to process blue-bin materials at a fixed price of \$70 per ton for inbound materials with 30-39% contamination and \$80 per ton for materials with 40-50% contamination, excluding revenue share. This offer is conditional however upon SVPS being awarded with two wastesheds.

- Waste Management (WM)

WM proposed to process about 200-300 tons per day of the Valley's blue-bin materials at its Sun Valley Recycling Park (SVRP) facility. Permitted to handle up to 5,000 tons per day of materials, SVRP features a fully enclosed building that houses an MRF equipped with advanced sorting infrastructure that can efficiently process blue-bin materials. The company's commitment to workplace safety is evident through the implementation of innovative solutions, such as its automated truck spotting system and fire prevention system.

WM's offer of a 100% revenue sharing arrangement holds the potential to greatly benefit the City, particularly in favorable recycling market conditions. However, transportation costs to the point of sale would be deducted from the revenue share.

It is important to note that WM's contingency plans may not adequately address extended wait times at the MRF. If the turnaround time exceeds 15 minutes at SVRP, there is uncertainty about the availability of a backup location for City trucks to dump their material. This situation could potentially lead to increased operational costs, if not managed effectively.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 7

Additionally, WM's available processing capacity as included in its proposal ranges from 200 - 300 tons per day, which is less than the City's requirement of 450 tons per day. WM proposed tiered pricing at \$125.24 per ton for 200 - 230 tons and \$135.30 per ton for 231 - 300 tons. After evaluations had been completed, WM reached out to the City with an additional offer of \$135.30 per ton for all 450 tons, without the tiered pricing. This new higher pricing was not factored into the evaluation scoring process because WM's offer to process 450 tons per day was made after the scoring process and not in WM's initial proposal.

After thorough analysis, LASAN has determined that awarding a single contract to Athens for both the East and West Valley wastesheds best serves the interests of the City. Athens possesses the capability to handle material from both wastesheds at the most competitive price for the City. Although WM had the highest individual score by a slim margin, this score only reflects their proposal to handle material from just one wasteshed, including up to 230 tons at a lower \$125.24 per ton price. However, opting to award one wasteshed to WM to benefit from this lower pricing would necessitate awarding the second wasteshed to SVPS, the lowest-ranked proposer, with notable drawbacks as detailed above. Given that SVPS's services are costlier when handling just one wasteshed, this approach would also result in a higher cost for the City compared to awarding both wastesheds to Athens. Similarly, opting to award two wastesheds to WM would result in a significant cost increase for the City as well, because the City would not benefit from WM's lower \$125.24 per ton price as initially proposed. Had WM's offer to process all 450 tons per day at \$135.30 tons been included with its proposal and scored, Athens would have been the highest-scoring proposer. Therefore, after considering all of these factors, awarding both wastesheds to Athens is deemed to be the most beneficial choice and one that will best satisfy the interests of the City.

**LOCAL BUSINESS PREFERENCE PROGRAM**

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the Local Business Preference (LBP) Program which was designed to increase local employment and expenditures in the local private sector. Businesses that qualify as a Local Business Enterprise (LBE) may be granted an eight percent reduction of their Bid amount solely for Bid evaluation purposes. If an LBE is also a Local Small Business (LSB) and/or Local Transitional Employer (LTE), it may be granted an additional two percent reduction for each of those certifications, up to a total of twelve percent. Businesses that qualify as an LBE, but neither as an LSB and/or an LTE, may be granted a one percent reduction, up to a maximum of two percent for each of those certifications, for every ten percent of their bid that is to be performed by an LSB and/or an LTE subcontractor. Additionally, all non-LBE Businesses may be granted a one percent reduction, up to a maximum of five percent, of their Bid amount solely for Bid evaluation purposes, for every ten percent of their bid that is to be performed by an LBE, LSB, and/or LTE subcontractor. The program also includes a provision which states that an Awarding Authority has the right to determine, at any time before the award of a contract, that it is not in the City's best interest to apply the LBP. During the proposal evaluation process, both Athens and WM were verified as certified LBEs, while SVPS and ARI were not.

### **SCOPE OF WORK FOR ATHENS**

Athens will be responsible for the processing and marketing of blue-bin materials collected from the East and West Valley wastesheds.

Specific tasks to be performed by Athens include:

- Providing facilities with sufficient processing capacity, including contingent facilities in case of slowdowns or emergency conditions;
- Processing blue-bin materials using appropriate sorting equipment and technologies;
- Baling, storing, and preparing the processed materials for shipment to domestic and international markets;
- Providing emergency support in processing materials from the City's other wastesheds;
- Conducting three (3) waste characterizations annually, at no cost to the City;
- Providing invoices with reports on the tonnage of inbound and recovered materials;
- Calculating the blended value (BV) of the commodities by considering the total amount of commodities recovered from its facilities, the actual selling prices of processed commodities, the California Redemption Value (CRV), and the costs for hauling and disposal of residue. The net value of the material will be the BV minus the Processing Unit Cost (PUC). If the net value is negative, the City will pay the calculated negative net value (i.e., service fee), which will include a discount to the service fee charged equal to 100% of any revenue Athens receives from selling the commodities. In the case of a positive net value, signifying a profit, Athens will share 70% of the profit with the City; and
- Ensuring compliance with all relevant regulations governing the processing and marketing of blue-bin materials.

### **PROPOSED TERM OF AGREEMENT AND ESTIMATED COST**

The proposed contract term with Athens is for a duration of five (5) years, with an additional option to renew for two (2) terms of five (5) years each. The cost to the contractor will be variable, given the nature of the contract. There are no specific cost limits defined in the contract, as the value of the contract fluctuates depending on the local and international recycling markets. This means that the contract can either result in costs to the City or generate revenue.

For the initial 5-year contract, the estimated cost ranges from \$87.1 million on the higher end to no cost on the lower end. If the contract is extended for a total duration of 15 years, the estimated high-end cost would amount to \$382.9 million, while the low-end cost would be \$0.

The determination of high-end costs takes into consideration the expenses associated with processing (PUC), transloading, and hauling. A yearly 2% increase is included in this scenario to account for tonnage growth due to population expansion, recycling education initiatives, and potential impacts of regulatory changes. On the other hand, the low-end costs include the estimated BV of the material, which helps reduce costs. This BV could potentially be equal to or greater than the PUC due to favorable market conditions and minimal levels of contamination. Consequently, in this scenario, there will be no cost to the City.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 9

**Table 3. Estimated Costs**

Term of Contract (High/Low)	Estimated Costs
5 Year (High)*	\$ 87,134,565.25
5 Year (Low)	\$ 0.00
15 Year (High)*	\$ 382,933,012.85
15 Year (Low)	\$ 0.00

\*High estimates are calculated assuming there will be no market for commodities, although this scenario is not expected.

The PUC will be increased each July 1st following contract execution. The increase will be calculated based on the CPI-WST (the Consumer Price Index for All Urban Consumers: Water, and Sewer and Trash Collection Services in U.S. City Average, as computed and published each April by the Bureau of Labor Statistics, U.S. Department of Labor, Series ID CUUR0000SEHG). The annual adjustment to the PUC will not exceed five percent (5%). In any year the percentage increase is higher than 5%, the excess will be carried over to subsequent years.

In addition to the two (2) five (5) year renewal options, the City may elect to extend the agreement on a month-to-month basis for a maximum of six (6) months, during which period the City and the Contractor shall continue performance under the terms of this agreement. The City may extend the agreement on a month-to-month basis at the end of the initial five (5) year term, at the end of the second five (5) year term, or at the end of the third five (5) year term, by providing the Contractor written notice at least ninety (90) calendar days prior to the expiration of the agreement.

**BUSINESS INCLUSION PROGRAM (BIP)**

On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. This program provides Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) firms an equal opportunity to compete for, and participate in, City contracts.

At the time of RFP release for these services, the City established anticipated participation levels for this contract of 6 percent MBE, 2 percent WBE, 2 percent SBE, 2 percent EBE, and 1 percent DVBE based on the potential scopes of work which may be subcontracted. An outreach to Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE) firms is not required as part of the BIP Outreach but will be tracked for statistical purposes.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 10

Athens has pledged participation levels of 18.78 percent MBE, 0 percent WBE, 0 percent SBE, 0 percent EBE, 0 percent DVBE, and 0 percent OBE and passed its BIP Outreach evaluation.

Gender/Ethnicity Codes:

AA = African American  
SAA = Subcontinent Asian American  
C = Caucasian  
M = Male

HA = Hispanic American  
APA = Asian Pacific American  
NA = Native American  
F = Female

**Table 4. Processing and Marketing Services.**

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/ OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
J.I. Gandara Transport, Inc.	MBE	M/HA	18.78%	\$ 9,317,535.00
Total MBE Participation			18.78%	\$ 9,317,535.00
Total WBE Participation			0%	0%
Total SBE Participation			0%	0%
Total EBE Participation			0%	0%
Total DVBE Participation			0%	0%
Total OBE Participation			0%	0%
Base Estimated Contract Amount				\$ 49,601,218.17

**COMMUNITY-LEVEL CONTRACTING (CLC)**

As part of the City's CLC initiative led by the Department of Public Works (DPW) as per the CLC Board Motion issued on May 19, 2021, LASAN seeks to help make City contracting more accessible and equitable by providing small contractors the opportunity to work directly with the City as Prime contractors on smaller, more manageable projects. Following careful evaluation, LASAN has determined that it would be most feasible and cost-effective to have a single prime contractor perform the work under this opportunity. Therefore, LASAN has determined that this opportunity cannot be considered as a CLC opportunity.

(Continued on next page)



BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 11

**OTHER CITY REQUIREMENTS**

Athens shall comply with all City requirements including:

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure Ordinance and Disclosure of Border Wall Contracting Ordinance
- Americans with Disabilities Act
- Child Support Obligations Policy
- Los Angeles Residence Information
- Non-Collusion Affidavit
- Performance Bond and Insurance requirements
- Business Tax Registration Certificate
- City of Los Angeles Contract History
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Municipal Lobbying Ordinance
- Iran Contracting Act of 2010 Compliance Affidavit
- City Contractor's use of Criminal History for Consideration of Employment Applications Ordinance
- COVID-19 Requirements
- Contractor Data Reporting

**NOTIFICATION OF INTENT TO CONTRACT**

The required Notice of Intent to contract was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on July 27, 2023.

**CHARTER SECTION 1022**

The CAO made a Charter 1022 determination on August 24, 2023 and found that the proposed services can be performed more feasibly and economically by a contractor rather than by City employees.

**CONTRACTOR RESPONSIBILITY ORDINANCE**

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

**CONTRACTOR PERFORMANCE EVALUATION**

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Department of Public Works, Bureau of Contract Administration upon completion of this contract.



BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 12

**LOS ANGELES RESIDENCE INFORMATION**

The headquarters of the Contractor is located at 14048 Valley Blvd., City of Industry, CA 91746. Contractor employs 2,053 people of which 558 (27%) reside in the City of Los Angeles.

**APPROVED AS TO FORM**

The proposed contract has been approved as to form by the Office of the City Attorney.

**CONTRACT ADMINISTRATION**

Responsibility for the administration and management of this contract will rest with LASAN's Solid Resources Support Services Division.

PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

This contract was approved by PRD on August 2, 2023, in the amount of \$86,335,363.43.

STATUS OF FINANCING

There is no impact to the General Fund. There is no contractual cost ceiling for this contract as it is tip fee-based. Funding for this contract is not required in FY 2023-24 since Athens is providing the current services under a Letter of Agreement expiring on June 30, 2024, with funds already allocated. Specific funding information will be provided at the time of approval of the project award. Funding sources may include, but are not limited to, Fund No. 508, the Solid Waste Resources Revenue Fund.

Funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to the Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract.

The Contractor agrees that any services provided by the Contractor, purchases made by the Contractor or expenses incurred by the Contractor in excess of the appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for the services, purchases or expenses. The Contractor shall have no obligation to provide any services, provide any equipment, or incur any expense in excess of the appropriation, amount(s) until the City appropriates additional funds for this Contract.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 28, 2024

PAGE 13

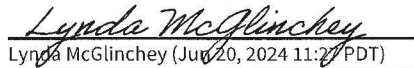
Respectfully submitted,



---

BARBARA ROMERO  
Director and General Manager  
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED  
AND APPROVED BY:



Lynda McGlinchey (Jun 20, 2024 11:27 PDT)

---

LYNDA McGLINCHEY, Program Manager II  
Office of Contract Compliance  
Bureau of Contract Administration



---

JOHN L. REAMER, JR.  
Inspector of Public Works  
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



Sarai Bhaga (Jun 14, 2024 10:12 PDT)

---

SARAI BHAGA, Chief Financial Officer  
Bureau of Sanitation  
Date: \_\_\_\_\_

Prepared by:

Nicholas Nuccio, SRSSD  
(213) 820-5685

Ronaldo Milo, SRSSD  
(213) 485-3568


Bernadette Halverson, SRSSD  
(213) 485-3634

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California

DEPARTMENT OF PUBLIC WORKS

OCT 13 2023

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

  
Executive Officer  
Board of Public Works

CD: 2,3,4,7,12

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS AND NEGOTIATE CONTRACT(S) FOR THE PROCESSING AND MARKETING OF BLUE-BIN MATERIALS FROM THE EAST VALLEY AND WEST VALLEY WASTESHEDS OF THE CITY OF LOS ANGELES (W.O. # S02MBLUE)

---

### RECOMMENDATIONS

Authorize the Director and General Manager of the LA Sanitation and Environment (LASAN) or her designee to:

1. Distribute and advertise the transmitted Request for Proposals (RFP) for the Processing and Marketing of Blue-Bin Materials from the East Valley and West Valley Wastesheds of the City of Los Angeles (City).
2. Evaluate the proposals based on the established rating evaluation criteria, select and interview the most qualified proposer(s).
3. Negotiate a contract(s) with the most responsive proposer(s) in each wasteshed.
4. Return to the Board of Public Works (Board) for authority to award and execute the contract(s) for each wasteshed, subject to Mayor and City Council approval prior to contract execution.

### TRANSMITTAL

1. Copy of the RFP for the Processing and Marketing of Blue-Bin Materials from the East Valley and West Valley Wastesheds of the City of Los Angeles.

### DISCUSSION

#### **Request for Proposals (RFP)**

The RFP seeks proposals from qualified and experienced proposers with a strong track record in operational performance, technical abilities, and cost effectiveness. The RFP aims to secure all-inclusive services to process and market approximately 450 tons per day of residential blue-bin materials collected from the East and West Valley wastesheds. The amount of blue-bin materials may fluctuate based on future operational and economic circumstances.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 2

The selected proposers will provide a range of services including but not limited to, receiving the materials at a material recovery facility (MRF) or transloading facility, sorting these materials into different commodity streams, baling and storing for shipment, transporting the shipment to the nearest port or for sale, collecting revenue from these sales, legally disposing contaminants and residues, and complying with all applicable Federal, State, County, and local laws. Proposers will also provide contingent services in case of emergency or adverse conditions at their own or any of the contracted facilities. Additionally, facilities utilized for these services must adhere with the City's Facilities Certification Plan, as approved by the Board.

**Background**

The City's weekly curbside collection program for blue-bin materials plays a crucial role in achieving the environmental goals outlined in its Green New Deal initiative. As part of these goals, the City aims to divert 90% of solid waste from landfills by 2025, along with complying with the State's AB 939 mandate requiring jurisdictions to divert 50% of solid waste from landfills. This program not only promotes sustainability but also contributes significantly to waste reduction and environmental preservation within the City's boundaries.

Currently, the City collects blue-bin materials from approximately 750,000 households residing in six wastesheds, of which four are located in the South (North Central, South Los Angeles, West Los Angeles, and Harbor), and the remaining two are in the Valley (East Valley and West Valley). The scope of the City's collection captures a range of valuable commodities like cardboard, mixed paper, cartons, metals, glass, and plastics. The collected materials are either directly delivered to a contracted MRF or transloaded at a transfer facility for subsequent hauling to a MRF. At the MRF, the blue-bin materials undergo processing, sorting, baling, storage, and are ultimately shipped to domestic and international markets. However, the City does not own an MRF and relies on contracted service to manage the processing and marketing of its residential blue-bin materials.

In February 2020, the City initiated an RFP process to identify suitable vendors to process and market residential blue-bin materials from all six wastesheds. Following a thorough evaluation process, CR&R and Arakelian Enterprises, Inc. dba Athens Services (Athens) were chosen as potential vendors. On July 1, 2021, CR&R was awarded a long-term contract (C-139435) for the South wastesheds. Simultaneously, negotiations were underway with Athens to finalize an agreement for the Valley wastesheds. To bridge the gap during these negotiations, a temporary contract was established with Athens through yearly Letters of Agreement (LOAs). These LOAs allowed for the utilization of Athens' services while working towards a long-term contract. Ultimately, however, despite diligent negotiations, the parties could not reach a mutually beneficial agreement. It has since been determined that it is in the best interest of the City to release a new RFP for services specifically covering the Valley wastesheds.

This new RFP aims to identify vendors capable of efficiently processing and marketing residential blue-bin materials from the Valley wastesheds. It presents an opportunity for new vendors to participate in the City's curbside blue-bin collection program and contribute to the City's landfill diversion and sustainability objectives. Requesting the approval of the Board to issue this RFP will enable the City to secure a suitable vendor for the Valley wastesheds, ensuring a seamless

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 3

continuation of the curbside blue-bin collection program's pivotal role in complying with AB 939 and contributing to the achievement of its Green New Deal goals.

**Proposed Term of Contract**

The proposed contract will be for a term of five (5) years with two (2) five (5)-year renewal options to be exercised at the City's sole discretion, for a possible total term of fifteen (15) years.

**Rationale for using an RFP**

The RFP process is being used to solicit the best available services at the most competitive price. A proposal review committee of LASAN staff will evaluate all proposals in order to determine which proposal(s) will bring the greatest benefits to the City.

**Selection Process and Evaluation Criteria**

The proposal review committee consisting of City staff will evaluate and rate all proposals. Based upon the evaluation panel's final report, LASAN will submit a report to the Board containing recommendations to award and execute a contract(s) with the selected proposers for each of the wastesheds. Contract(s) will then be submitted to the Board, the Mayor, and the City Council for approval.

The evaluation criteria for the proposal are outlined in the RFP and are summarized in Table 1 below (See Article 4.2 in Transmittal 1 for details).

Table 1: Evaluation Criteria for Proposals

No.	Evaluation Criteria	Points
1	<b>Qualification, Experience, and Financial Performance</b> <ul style="list-style-type: none"><li>• At least 4 years operational experience</li><li>• Statement of Qualifications</li></ul>	0 – 10
2	<b>Workers Safety Requirement</b> <ul style="list-style-type: none"><li>• Statement of workplace policies and procedures</li><li>• Submit OSHA citations and Log of Work-Related Injuries and Illnesses for past 5 years</li></ul>	0 - 10
3	<b>Technical and Financial Requirements</b> <ul style="list-style-type: none"><li>• Facility location and proximity</li><li>• Capability, capacity, and contingency plans</li><li>• Adequate facilities, advanced separation equipment, supplies and staffing</li><li>• Permit and Regulatory compliance</li><li>• Financial Statements</li><li>• Performance bond and insurance requirements</li></ul>	0 - 30
4	<b>Compensation Proposal</b> <ul style="list-style-type: none"><li>• Commodity Profit</li><li>• Processing Unit Cost</li><li>• Revenue sharing percentages</li></ul>	0 - 50
<b>Total Maximum Points</b>		<b>100</b>

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 4

**RFP Posting Requirement**

The RFP will be posted on the City's Regional Alliance Marketplace for Procurement (RAMP) website in compliance with City Council motion 95-1060S2. RAMP is the centralized portal to access City's contracting opportunities. The RFP, addenda, and all other related documents will be available for download on <https://www.rampla.org>.

**Notification of Intent to Contract**

The Notification of Intent to Contract (NOI) was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on July 27, 2023.

**Charter Section 1022**

The CAO made a Charter 1022 determination on August 24, 2023 and found that the proposed services can be performed more feasibly and economically by a contractor rather than by City employees.

**Business Inclusion Program (BIP) Outreach**

On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. This program provides Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) firms an equal opportunity to compete for, and participate in, City contracts.

For this RFP, LASAN has established anticipated participation levels of six (6) percent Minority Business Enterprise (MBE), two (2) percent Women Business Enterprise (WBE), two (2) percent Small Business Enterprise (SBE), two (2) percent Emerging Business Enterprise (EBE), and one (1) percent Disabled Veteran Business Enterprise (DVBE). and 0 percent (LGBTBE) Lesbian, Gay, Bisexual, Transgender Business Enterprise (for statistical tracking purposes).

Proposers submitting a proposal in response to this RFP are required to perform a BIP Outreach using the Regional Alliance Marketplace for Procurement (RAMP). Failure to comply with the City's BIP Outreach requirements will render the proposal non-responsive.

In addition to the BIP Outreach, the Proposers are required to complete and submit the MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form (Schedule A). The Schedule A must be submitted with the proposal. Additionally, during the term of the contract, the contractor must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile (Schedule B) when submitting an invoice or payment to the City.

**Compliance with Board RFP Policy**

Per Board policy, the RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 5

**Other City Requirements**

All Proposers will be required to comply with the City's policies and requirements including the following:

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure Ordinance and Disclosure of Border Wall Contracting Ordinance
- Americans with Disabilities Act
- Child Support Obligations Policy
- Los Angeles Residence Information
- Non-Collusion Affidavit
- Performance Bond and Insurance requirements
- Business Tax Registration Certificate
- City of Los Angeles Contract History
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Municipal Lobbying Ordinance
- Iran Contracting Act of 2010 Compliance Affidavit
- City Contractor's use of Criminal History for Consideration of Employment Applications
- COVID-19 Requirements
- Contractor Data Reporting

Attachments and forms pertaining to these requirements are included in the RFP and on the RAMP.

**Local Business Preference Program**

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the Local Business Preference (LBP) Program which was designed to increase local employment and expenditures in the local private sector. Businesses that qualify as a Local Business Enterprise (LBE) may be granted an eight percent reduction of their Bid amount solely for Bid evaluation purposes. If the LBE is also a Local Small Business (LSB) and/or Local Transitional Employer (LTE), they may be granted an additional two percent reduction for each of those certifications, up to a total of twelve percent. Businesses that qualify as a LBE, but neither as a LSB and/or a LTE, may be granted a one percent reduction, up to a maximum of two percent for each of those certifications, for every ten percent of their bid that is to be performed by a LSB and/or a LTE subcontractor. Additionally, all non-LBE Businesses may be granted a one percent reduction, up to a maximum of five percent, of their Bid amount solely for Bid evaluation purposes, for every ten percent of their bid that is to be performed by a LBE, LSB, and/or a LTE subcontractor. The program also includes a provision which states that an Awarding Authority has the right to determine, at any time before the award of a contract, that it is not in the City's best interest to grant a bid reduction to a qualifying LBE.



BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 6

**Community Level Contracting (CLC)**

As part of the City's CLC initiative led by the Department of Public Works, LASAN aims to enhance the accessibility and equity of City contracting. In line with this vision, LASAN is committed to providing small contractors the opportunity to work directly with the City as prime contractors on smaller, more manageable projects. Following careful evaluation, LASAN has determined that it would be most feasible and cost-effective to have a single prime contractor perform the work under this opportunity. Therefore, LASAN has determined that this opportunity cannot be considered as a CLC opportunity.

**Contractor Responsibility Ordinance**

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

**Contractor Performance Evaluation**

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Department of Public Works, Bureau of Contract Administration upon completion of this contract.

**Contract Administration**

Responsibility for the administration and management of these contracts will rest with LASAN's Solid Resources Support Services Division (SRSSD), LASAN.

**PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL**

This RFP was approved by PRD on August 2, 2023 in the amount not exceeding \$86,335,363.43.

**STATUS OF FINANCING**

There is no impact to the General Fund. The total funding for this project is not to exceed \$402,369,632. Funding will be budgeted within the Fund No. 508, Solid Waste Resources Revenue Fund.

Funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Funding as of the date of this Board Report has been verified and approved by the Director of the Office of Accounting subject to terms and conditions and cash availability described above.



BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 7

FUTURE ACTIONS

Upon Board authorization, the RFP and attachments will be posted on [www.rampla.org](http://www.rampla.org).

A selection panel comprising LASAN staff will evaluate the proposals. The most qualified proposers, who submitted the best proposals in response to the RFP, will be interviewed, ranked, and selected. LASAN will then negotiate personal services contracts with the highest rated proposers to provide the required services. Subsequent to the negotiation of the contracts, LASAN will request the Board for authority to award and execute contracts with the selected proposers.

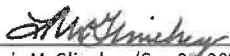
Respectfully submitted,



---

BARBARA ROMERO  
Director and General Manager  
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED  
AND APPROVED BY:



---

Lynda McGlinchey (Sep 29, 2023 12:27 PDT)

LYNDA McGLINCHEY, Program Manager II  
Office of Contract Compliance  
Bureau of Contract Administration



---

JOHN L. REAMER, JR.  
Inspector of Public Works  
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



---

SARAI BHAGA, Chief Financial Officer  
Bureau of Sanitation  
Date: 9/28/2023

Prepared by:  
Nicholas Nuccio, SRSSD  
(213) 820-5685  
Ronaldo D. Milo, SRSSD  
(213) 485-3568  
Bernadette Halverson, SRSSD  
(213) 485-3634

CONTRACT NO. C- \_\_\_\_\_

**SERVICE AGREEMENT**  
**BETWEEN**  
**THE CITY OF LOS ANGELES**  
**AND**  
**ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES**  
**FOR**  
**THE PROCESSING AND MARKETING OF RESIDENTIAL BLUE-BIN MATERIALS**  
**FROM THE EAST AND WEST VALLEY WASTESHEDS OF THE**  
**CITY OF LOS ANGELES**



City of Los Angeles  
Department of Public Works  
Los Angeles Sanitation and Environment

Barbara Romero, Director and General Manager  
Alexander E. Helou, Assistant Director

Solid Resources Support Services Division  
Cecile C Buncio, Division Manager  
Bernadette D. Halverson, Assistant Division Manager

AGREEMENT BETWEEN THE CITY OF LOS ANGELES  
AND  
ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES  
FOR PROCESSING AND MARKETING  
OF RESIDENTIAL BLUE BIN MATERIALS  
FROM THE EAST AND WEST VALLEY WASTESHEDS OF THE CITY OF LOS ANGELES

**TABLE OF CONTENTS**

ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES HEREIN .....	6
ARTICLE 2 – DEFINITIONS.....	6
ARTICLE 3 – PROJECT DESCRIPTION.....	12
ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES/TASKS TO BE PERFORMED BY THE CONTRACTOR	12
ARTICLE 5 – KEY CONTRACTOR PERSONNEL .....	23
ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY .....	23
ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS .....	25
ARTICLE 8 – SUSPENSION - INTENTIONALLY OMITTED .....	26
ARTICLE 9 – TERMINATION .....	26
ARTICLE 10 – SUBCONTRACT APPROVAL.....	27
ARTICLE 11 – COMPENSATION, INVOICING, AND PAYMENT .....	28
ARTICLE 12 – AMENDMENTS, CHANGES, OR MODIFICATIONS.....	36
ARTICLE 13 – INDEMNIFICATION AND INSURANCE.....	36
ARTICLE 14 – INDEPENDENT CONTRACTORS .....	37
ARTICLE 15 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR.....	37
ARTICLE 16 – INTELLECTUAL PROPERTY INDEMNIFICATION - INTENTIONALLY OMITTED .....	38
ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY - INTENTIONALLY OMITTED.....	38
ARTICLE 18 – OWNERSHIP AND LICENSE .....	38
ARTICLE 19 – SUCCESSORS AND ASSIGNS .....	39
ARTICLE 20 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION .....	39
ARTICLE 21 – FORCE MAJEURE (EXCUSABLE DELAYS).....	40
ARTICLE 22 – SEVERABILITY.....	40
ARTICLE 23 – DISPUTES .....	40
ARTICLE 24 – ENTIRE AGREEMENT .....	41
ARTICLE 25 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT .....	41
ARTICLE 26 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED..	42
ARTICLE 27 – WAIVER.....	42
ARTICLE 28 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION.....	42
ARTICLE 29 – PERMITS.....	42
ARTICLE 30 – BEST TERMS - INTENTIONALLY OMITTED .....	43
ARTICLE 31 – CLAIMS FOR LABOR AND MATERIALS.....	43
ARTICLE 32 – BREACH .....	43
ARTICLE 33 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT....	43
ARTICLE 34 – CHILD SUPPORT OBLIGATIONS ASSIGNMENT ORDERS.....	44
ARTICLE 35 – LIVING WAGE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE.....	44
ARTICLE 36 – ACCESS AND ACCOMMODATIONS .....	45
ARTICLE 37 – CONTRACTOR RESPONSIBILITY ORDINANCE.....	45
ARTICLE 38 – LOS ANGELES BUSINESS INCLUSION PROGRAM .....	45

ARTICLE 39 – DISCLOSURE ORDINANCES.....	46
ARTICLE 40 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE.....	46
ARTICLE 41 – MUNICIPAL LOBBYING ORDINANCE .....	46
ARTICLE 42 – FIRST SOURCE HIRING ORDINANCE .....	47
ARTICLE 43 – COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/ FUNDRAISING .....	47
ARTICLE 44 – COMPLIANCE WITH THE IRAN CONTRACTING ACT OF 2010.....	48
ARTICLE 45 – INTEGRATED CONTRACT .....	48
ARTICLE 46 – DATA PROTECTION .....	48
ARTICLE 47 – LOCAL BUSINESS PREFERENCE ORDINANCE.....	49
ARTICLE 48 – CITY CONTRACTOR’S USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS .....	49
ARTICLE 49 – COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS .....	49
ARTICLE 50 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164.....	49
ARTICLE 51 – POSSESSORY INTERESTS TAX.....	50
ARTICLE 52 – CONFIDENTIALITY .....	50
ARTICLE 53 – COUNTERPARTS.....	51
ARTICLE 54 – COVID-19 VACCINATION REQUIREMENTS .....	51
ARTICLE 55 – CONTRACTOR DATA REPORTING .....	52

## **EXHIBITS**

Exhibit 01	Payment Spreadsheet Example
Exhibit 02	Sample Payment Calculations
Exhibit 03	Marketable Recyclable Commitment Form
Exhibit 04	Facility Utilization Plan
Exhibit 05	Waste Characterization Protocols
Exhibit 06	Processing Unit Cost Breakdown
Exhibit 07	Schedule A, List of MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors
Exhibit 08	Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile for Task/Project Work
Exhibit 09	Insurance Contractual Requirements
Exhibit 10	Slavery Disclosure Ordinance
Exhibit 11	Declaration of Compliance with Living Wage Ordinance
Exhibit 12	Contractor Responsibility Ordinance
Exhibit 13	Business Tax Registration Certificate
Exhibit 14	Los Angeles Residence Information
Exhibit 15	Non-Collusion Affidavit
Exhibit 16	Contract History
Exhibit 17	Municipal Lobbying Ordinance
Exhibit 18	First Source Hiring Ordinance

Exhibit 19     Contract Bidder Campaign Contribution and Fundraising Restrictions  
Exhibit 20     Iran Contracting Act of 2010  
Exhibit 21     Equal Benefits Ordinance Affidavit

AGREEMENT BETWEEN THE CITY OF LOS ANGELES  
AND  
ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES  
FOR PROCESSING AND MARKETING  
OF RESIDENTIAL BLUE BIN MATERIALS  
FROM THE EAST AND WEST VALLEY WASTESHEDS OF THE CITY OF LOS ANGELES

This AGREEMENT, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "Arakelian Enterprises, Inc. dba Athens Services" hereinafter referred to as the "CONTRACTOR "; is set forth as follows:

**W I T N E S S E T H**

WHEREAS, pursuant to the provisions of the California Integrated Solid Waste Management Act, the CITY was mandated to divert and has diverted 50 percent of all solid waste from landfills by the year 2000; and

WHEREAS, the goal under the Mayor's Sustainable City Plan is for the CITY to divert 90 percent of all solid waste from the landfills by the year 2025, 95 percent by the year 2035, and 100 percent by 2050 through source reduction, recycling, and composting; and

WHEREAS, on October 13, 2023, the Board of Public Works authorized the Bureau of Sanitation (LASAN) to distribute a Request for Proposals for processing and marketing of residential blue bin materials collected from the East and West Valley wastesheds and negotiate contracts with qualified proposers; and

WHEREAS, on November 28, 2023, LASAN received four proposals in response to the RFP; and

WHEREAS, the CONTRACTOR was deemed a qualified proposer with the experience and expertise to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFP; and

WHEREAS, under this AGREEMENT, the CONTRACTOR will provide services for processing and marketing of residential blue bin materials collected from the East and West Valley wastesheds, for a term of five (5) years with two (2) five (5)-year renewal options and a maximum six (6)-month optional month-to-month extension; and

WHEREAS, the CONTRACTOR meets all State, Federal, County, and local requirements to perform processing and marketing services for blue bin materials; and

WHEREAS, the services to be provided by the CONTRACTOR are of expert and technical nature, and the CONTRACTOR has demonstrated qualifications to perform said services, hereinafter referred to as the CONTRACT; and

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this AGREEMENT, it is understood and agreed by and between the parties hereto as follows:

## **ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES HEREIN**

All titles, subtitles, or headings in this CONTRACT have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this CONTRACT. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or CONTRACTOR. The word "CONTRACTOR" includes the party or parties identified in this CONTRACT. The singular shall include the plural and if there is more than one CONTRACTOR, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

## **ARTICLE 2 – DEFINITIONS**

It is understood that the following words and phrases are used herein; each shall have the meaning set forth opposite the same:

- |   |  |
|---|--|
| <b>1. ACCEPT/ACCEPTANCE/ACCEPTED or other variation thereof</b> | A BLUE BIN MATERIAL load is deemed ACCEPTED when the CONTRACTOR allows the deposit of the BLUE BIN MATERIAL on the FACILITY'S tipping floor.     |
| <b>2. ADVERSE CONDITIONS</b>                                    | Any natural or man-made disasters and other similar and sudden unforeseen crises that prevent normal operations of any CITY-contracted facility. |
| <b>3. AGREEMENT</b>   | CONTRACT between the CITY and the CONTRACTOR for PROCESSING and MARKETING of BLUE BIN MATERIALS from CITY-DESIGNATED WASTESHEDS.                 |
| <b>4. APPLICABLE LAW</b>  | All statutes, rules, regulations, PERMITS, orders, or requirements of the United States, State of  |

California, the CITY, County of Los Angeles, and all regional, county, and local government authorities and agencies having applicable jurisdiction, that apply to or govern the FACILITY, the site, or the performance of the CONTRACTOR'S and the CITY'S respective obligations under this CONTRACT.

- 5. BLENDED VALUE or BV** Refers to the value of ACCEPTED BLUE BIN MATERIAL as calculated in accordance with Section 11.2.
- 6. BLUE BIN MATERIAL(S)** RECYCLABLES and CONTAMINATION collected by CITY from CITY residents through LASAN'S curbside blue bin recycling program and from CITY facilities.
- 7. BOARD** Board of Public Works of the CITY.
- 8. CALENDAR DAY(S)** Each day beginning at 12:01 a.m. and ending 24 hours thereafter at 12:00 midnight.
- 9. CALIFORNIA REDEMPTION VALUE or CRV** Payments made by CALRECYCLE for the recycling of certain COMMODITIES.
- 10. CALRECYCLE** California Department of Resources Recycling and Recovery.
- 11. CERTIFIED WEIGH STATION** Weighing station certified by the State of California Department of Food and Agriculture Division of Measurement Standards, the Los Angeles County Department of Weights and Measures as applicable, and/or any other applicable entity having jurisdiction.
- 12. CERTIFIED WEIGHT TICKETS** Weight tickets issued by a certified WEIGHMASTER from a CERTIFIED WEIGH STATION indicating the GROSS WEIGHT and TARE WEIGHT of the vehicle, or container, as well as the NET WEIGHT of the delivered BLUE BIN MATERIALS.
- 13. CHANGE IN LAW** The occurrence of any change in APPLICABLE LAW, except where such change:  
(i) relates to income taxes, other than changes in gross receipts taxes imposed by the City of Los



Angeles;

(ii) is a change in APPLICABLE LAW relating to minimum wage or living wage imposed by the State of California or County of Los Angeles.

**14. CITY**

The City of Los Angeles, Board of Public Works, or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, City of Los Angeles Recycling WASTESHED, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles who is authorized to represent the City of Los Angeles in matters concerning this CONTRACT.

**15. CITY-DESIGNATED WASTESHEDS**

The following WASTESHEDS are designated to the CONTRACTOR: (i) East Valley (EV); (ii) West Valley (WV); and (iii) any other WASTESHEDS that may be agreed upon in the future in writing by CONTRACTOR AND CITY.

**16. CITY DIVISION MANAGER**

The Division Manager of the LASAN's Solid Resources Support Services Division (SRSSD), or a designee, who is an alternate representative for all issues related to this CONTRACT in the case of unavailability of the CITY PROGRAM MANAGER and/or CITY PROJECT MANAGER.

**17. CITY INBOUND ALLOCATION**

The percentage of BLUE BIN MATERIAL inbound to a FACILITY allocated to CITY by CONTRACTOR, as calculated on a monthly basis.

**18. CITY PROGRAM MANAGER**

An alternate representative for all issues related to this CONTRACT in the case of unavailability of the CITY PROJECT MANAGER.

**19. CITY PROJECT MANAGER**

The CITY'S designated representative for all issues related to this CONTRACT.

**20. COMMODITY(IES)**

Any type of RECYCLABLE recovered from a MRF that has a market for resale.

<b>21. CONTAMINATION or CONTAMINATED</b>	Any RECYCLABLE not listed as a COMMODITY, or that is unable to be recycled due to material conditions in accordance with Section 4.9.2.
<b>22. EMERGENCY OPERATIONS</b>	Use of CONTRACTOR'S FACILITIES during ADVERSE CONDITIONS at the CITY'S other contracted facilities serving North Central, South Los Angeles, West Los Angeles, and Harbor WASTESHEDS.
<b>23. CONTRACT</b>	Synonymous with AGREEMENT.
<b>24. CONTRACTOR</b>	Arakelian Enterprises, Inc. dba Athens Services
<b>25. DIRECT COST</b>	The sum of costs and expenses for: (i) labor directly related to the performance, management or supervision of any obligation pursuant to the terms hereof, including without limitation compensation and fringe benefits including vacation, sick leave, holidays, retirement, Workers Compensation Insurance, federal and state unemployment taxes and all medical and health insurance benefits, plus (ii) materials, tools, equipment, services direct rental costs and supplies purchased by such party, plus (iii) travel and subsistence, plus (iv) the reasonable costs of any payments to subcontractors necessary to and in connection with the performance of such obligation plus (v) any other cost or expense incurred by the party which is directly or normally associated with the task.
<b>26. EXECUTION DATE or EFFECTIVE DATE</b>	The last date on which the CONTRACT is signed by the parties and is attested by the City Clerk in accordance with Article 7.
<b>27. FACILITY(IES)</b>	Refers to MATERIAL RECOVERY FACILITIES and TRANSFER STATIONS as outlined in Exhibit 04.
<b>28. GROSS WEIGHT</b>	The weight of the collection vehicle, or other container, with CITY-loaded BLUE BIN MATERIAL.
<b>29. HOLIDAY(S)</b>	New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day; and other holidays officially designated and observed as such

	by the CITY and where LASAN shall not collect BLUE BIN MATERIAL on such day.
<b>30. LASAN</b>	Bureau of Sanitation, Department of Public Works, City of Los Angeles.
<b>31. MARKET/MARKETING or other variation thereof</b>	Market research and advertising of COMMODITIES that are PROCESSED by CONTRACTOR and related selling, shipping, invoicing, and receiving payments for such COMMODITIES from end users.
<b>32. MATERIAL RECOVERY FACILITY(IES) or MRF(S)</b>	CONTRACTOR'S FACILITY where BLUE BIN MATERIALS are processed for recycling.
<b>33. MBE/WBE/SBE/EBE/D VBE/OBE</b>	Minority/Women/Small/Emerging/Disabled Veterans/Other Business Enterprise.
<b>34. NET WEIGHT</b>	The difference between GROSS WEIGHT and TARE WEIGHT, resulting in the net TONS of BLUE BIN MATERIAL delivered.
<b>35. NONCONFORMING WASTE</b>	Any material that (i) is prohibited from receipt by CONTRACTOR by applicable law, PERMITS, or other approvals of any entity with authority over an MRF, TRANSFER STATION, or landfill; (ii) is not BLUE BIN MATERIAL; (iii) is or contains hazardous waste, liquid wastes, waste that requires special handling and management due to the nature of the waste, certain pathological and biological wastes, explosives, radioactive materials, and other materials deemed similarly hazardous by applicable law; or (iv) is or contains gas-containing tanks such as propane, helium, nitrous oxide, or similar items. NONCONFORMING WASTE shall not be ACCEPTED.
<b>36. OPERATING DAY(S)</b>	Any CALENDAR DAY for which the CONTRACTOR is obligated, pursuant to this CONTRACT, to open the FACILITY to receive BLUE BIN MATERIAL collected by the CITY.
<b>37. PERMITS/PERMITTED</b>	Permits, orders, licenses, and approvals required by APPLICABLE LAW of all federal, State of California, or local or any other pertinent governmental unit,

	including but not limited to the California Environmental Quality Act (CEQA), for the legal modification, operation, and maintenance of the FACILITY(IES) and equipment.
<b>38. PROCESS/PROCESSED/PROCESSING</b>	A PROCESS that includes but is not limited to receiving, transloading, hauling, sorting, bailing, storing, shipping, preparing COMMODITIES for MARKETING, and disposing of CONTAMINANTS.
<b>39. PROCESSING UNIT COST or PUC</b>	The per-TON price of CONTRACTOR's costs for PROCESSING and MARKETING services as detailed in Exhibit 06.
<b>40. RECYCLABLE(S) OR RECYCLABLE MATERIAL(S)</b>	Any types of BLUE-BIN MATERIALS that are specifically listed as recyclables by the CITY and the CONTRACTOR in Exhibit 03.
<b>41. RESIDUE</b>	The BLUE BIN MATERIAL that remains after PROCESSING that cannot be sold as a COMMODITY due to lack of demand in the market, requiring its disposal in landfills.
<b>42. SUBCONTRACTOR(S)</b>	Any individual, vendor, or company having a contract with the CONTRACTOR to provide services, equipment, and/or material to this CONTRACT, excluding those persons engaged in the brokering or transport of COMMODITIES or the transport of UNPROCESSED MATERIAL or RESIDUE to a landfill. For the avoidance of doubt, SUBCONTRACTORS shall not include subhaulers or third-party operators of landfills and processing facilities.
<b>43. TARE WEIGHT</b>	The weight of an empty collection vehicle or other containers.
<b>44. TPD</b>	TONS per OPERATING DAY.
<b>45. TON(S)</b>	2,000 pounds.
<b>46. TRANSFER STATION</b>	A permitted facility that is utilized for the transloading of BLUE BIN MATERIAL collected from the CITY'S collection vehicles into larger trucks and

subsequently hauled to a designated MATERIAL RECOVERY FACILITY.

**47. UNPROCESSED MATERIAL(S)**

BLUE BIN MATERIAL that is not segregated, PROCESSED, and MARKETING by the CONTRACTOR due to being wet, moist, or CONTAMINATED and, therefore, the CONTRACTOR transloads, transports, and disposes this material to a landfill.

**48. WASTE CHARACTERIZATION(S)**

A study conducted by the CONTRACTOR and observed by the CITY, to determine the percentage breakdown of COMMODITIES and CONTAMINATION in the loads of BLUE BIN MATERIALS delivered by the CITY to the CONTRACTOR's FACILITY.

**49. WASTESHED(S)**

Geographically designated area within the CITY limits that generates BLUE BIN MATERIALS.

**50. WEIGHMASTER**

Any person licensed by the California Department of Food and Agriculture Division of Measurement Standards who weighs or measures GROSS WEIGHT, TARE WEIGHT, and NET WEIGHT of the BLUE BIN MATERIALS and issues an accurate weight statement as the basis for invoicing of the BLUE BIN MATERIALS.

**ARTICLE 3 – PROJECT DESCRIPTION**

This project involves the partnership between the CITY and CONTRACTOR for the PROCESSING and MARKETING of residential BLUE BIN MATERIALS collected from the East and West Valley WASTESHEDS and any other WASTESHEDS that may be agreed upon in the future. CITY will be responsible for delivering these materials to CONTRACTOR'S FACILITIES, where they will be received and accepted following the guidelines outlined in Article 4.4.3. CONTRACTOR will operate MRFs to PROCESS these materials, as described in Article 4.4.2. The COMMODITIES that have been recovered through PROCESSING will then be marketed by CONTRACTOR, as detailed in Article 4.11.

**ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES/TASKS TO BE PERFORMED BY THE CONTRACTOR**

#### 4.1 Responsibilities of CONTRACTOR

CONTRACTOR shall perform the services described in Article 4.4. CONTRACTOR shall perform such work with a degree of skill and diligence normally employed by contractors performing the same or similar services.

#### 4.2 Industry Standards

CONTRACTOR warrants that the services will be performed consistent with generally accepted local industry standards.

#### 4.3 Maintenance of Records

CONTRACTOR shall maintain all records pertaining to the performance of this CONTRACT, in their original form or as otherwise approved by the CITY. These records shall be retained for a period of no less than four (4) years from the later of the following: (1) the final payment made by the CITY, (2) the expiration of this CONTRACT, or (3) termination of this CONTRACT. The records will be subject to examination and audit in accordance with Generally Accepted Auditing Standards (GAAS) by authorized CITY personnel or the CITY'S representatives at any time. CONTRACTOR shall provide any reports maintained in the normal course of business requested by the CITY regarding the performance of this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the CONTRACTOR may, upon the CITY'S written approval, submit the required information to the CITY in an electronic format, e.g. USB flash drive, at the expiration or termination of this CONTRACT.

The CITY'S review of the CONTRACTOR'S records shall be subject to the confidentiality provisions in Article 52 of this AGREEMENT.

#### 4.4 Scope of Services

##### 4.4.1 Facility Utilization

CONTRACTOR shall utilize the FACILITIES listed in the Facility Utilization Plan (FUP) (Exhibit 04) to perform the activities listed in this Section.

FACILITIES used under this AGREEMENT shall comply with the CITY'S FUP requirements as detailed in Exhibit 04, as applicable.

If CONTRACTOR elects to use a facility that is different from the facilities listed in the FUP, the CONTRACTOR shall request written approval from the CITY PROJECT MANAGER 30 CALENDAR DAYS prior to its planned use. CITY approval of CONTRACTOR's FACILITY request shall not be unreasonably delayed, conditioned, or denied. The CONTRACTOR shall bear any increased costs associated with a CONTRACTOR-initiated facility change. A request to change an approved facility caused by CITY decertification or failure of the facility to attain CITY certification shall be deemed as a CONTRACTOR-initiated change.

The facilities must be of sufficient capacity and capable of providing the throughput required to accommodate CITY deliveries of BLUE BIN MATERIAL without extraordinary disruption, material delay, nuisance, or violation of APPLICABLE LAWS.

#### 4.4.2 MRF Description

MRFs utilized under this AGREEMENT must be fully permitted and designed to provide a safe environment for the tipping, transloading, transferring, and processing of BLUE-BIN MATERIAL in accordance with local industry practice and applicable law, as applicable. MRFs will implement measures to ensure the safety and efficient operation of its processes, including an electronic computerized weigh station, paved tipping areas for unloading BLUE-BIN MATERIALS, and a traffic flow system that minimizes queueing time for City collection vehicles and congestion within the facility. Once the BLUE-BIN MATERIALS have been unloaded, they are PROCESSED through a mechanized segregation system. This system should be capable of separating the RECYCLABLES into distinct COMMODITY streams. The individual COMMODITY streams should then be consolidated using balers or compactors to facilitate MARKETING. Lastly, the MRFs should employ a computerized weight ticket reporting system to manage the amount of BLUE-BIN MATERIAL being PROCESSED.

#### 4.4.3 Hours of Operation

CONTRACTOR shall ACCEPT deliveries of BLUE BIN MATERIAL collected by the CITY from the designated WASTESHEDS at the designated FACILITIES between the hours of 6:00 A.M. and 6:00 P.M., Monday through Friday. CONTRACTOR shall not be responsible for ACCEPTING such deliveries on curbside collection HOLIDAYS; however, during the week in which a scheduled HOLIDAY occurs, FACILITIES shall be operational to receive CITY trucks on the Saturday following the HOLIDAY between the hours of 6:00 A.M. and 6:00 P.M. CITY staff shall have

the authority to modify the closing hours on the Saturday following the curbside collection HOLIDAY per written agreement between the CITY and the CONTRACTOR.

#### 4.4.4 Truck Turnaround Time and Queuing in the FACILITIES

CONTRACTOR agrees to give CITY vehicles priority access to the FACILITIES over non-CITY customers to the extent practicable, excluding CONTRACTOR'S vehicles. CONTRACTOR shall, to the extent it has control, ensure that TRANSFER and PROCESSING services are not unreasonably hindered, delayed, or interfered with because of services provided to non-CITY users of the FACILITIES.

CONTRACTOR shall enable the turn-around time period for the CITY'S vehicles entering the transfer/receipt site, including but not limited to waiting in line, weighing their loads, and dumping their loads, to be no longer than 20 minutes. CONTRACTOR shall provide sufficient queuing space within the site boundaries to avoid vehicles queuing on CITY streets at all times. Upon notice to CONTRACTOR, the CITY may deliver loads of BLUE BIN MATERIAL to facilities other than the CONTRACTOR'S FACILITIES if time delays exceed the designated turn-around time period of 20 minutes for CITY vehicles during non-peak hours at the CONTRACTOR'S FACILITIES.

#### 4.4.5 ADVERSE CONDITIONS at the CONTRACTOR'S FACILITIES

In the event of ADVERSE CONDITIONS at any CONTRACTOR'S FACILITY in which the FACILITY is unable to ACCEPT deliveries of BLUE BIN MATERIALS, CONTRACTOR and CITY shall immediately discuss CONTRACTOR'S contingency plans and alternative sites. The CITY may exercise the option to redirect BLUE BIN MATERIALS, in part or in whole, to the CONTRACTOR's alternative FACILITY at no additional cost to the City. The City shall not be obligated to provide BLUE BIN MATERIAL from the CITY-DESIGNATED WASTESHEDS until the ADVERSE CONDITION at the CONTRACTOR'S FACILITY is resolved.

#### 4.4.6 EMERGENCY OPERATIONS

In the event of ADVERSE CONDITIONS at the CITY'S other contracted facilities, the CONTRACTOR shall also receive BLUE BIN MATERIALS from North Central, South Los Angeles, West Los Angeles, and Harbor WASTESHEDS to PROCESS and MARKET, subject to tonnage space availability at CONTRACTOR'S FACILITIES. The CITY and the CONTRACTOR will discuss operational changes as needed. See also Section 11.9.



#### 4.4.7 Wrongful Rejection of BLUE BIN MATERIAL

CONTRACTOR shall guarantee ACCEPTANCE of all deliveries of BLUE BIN MATERIAL as detailed in Section 6.1. In the event of wrongful rejection of BLUE BIN MATERIAL, the CONTRACTOR shall be liable for damages directly incurred by the CITY as a result of such wrongful rejection.

#### 4.5 Staffing

CONTRACTOR shall employ sufficient staff to operate, maintain, and manage the FACILITY and equipment in accordance with generally accepted practices of the waste management and recycling industries and to perform its obligations under this CONTRACT, which shall include, without limitation, weighing trucks; monitoring loads; sorting RECYCLABLES from the ACCEPTED BLUE BIN MATERIALS; operating and maintaining all equipment, machinery, buildings, and the FACILITY; and providing reasonable security.

#### 4.6 Worker Safety

CONTRACTOR shall ensure a safe working environment for employees working at their FACILITY(ES). The safety of employees shall be of utmost priority and the CONTRACTOR shall comply with all APPLICABLE LAWS regarding worker health and safety as required by the Occupational Safety and Health Administration (OSHA) as stated in Article 25.

To facilitate a safe working environment, CONTRACTOR shall provide Personal Protective Equipment (PPE) to all employees and visitors at the FACILITY(IES) in accordance with APPLICABLE LAW. The provided PPE, as needed, shall include, but not be limited to, hard hats, safety vests, goggles, gloves, dust masks, ear plugs, and safety boots. These items shall be maintained in good condition and replaced as necessary.

CONTRACTOR shall conduct regular safety training for all employees. The training shall cover a comprehensive range of safety topics, including, but not limited to, fire protection, hazard communication, hazardous waste identification, hearing conservation, injury and illness prevention, load check program, material safety data sheet, use of PPE, spill prevention and control, and substance abuse.

In the event that any regulatory agency identifies any safety violations, CONTRACTOR shall promptly address such issues and take necessary actions to prevent their recurrence. Additionally, CONTRACTOR shall promptly inform the CITY of any notices of safety violations received at their FACILITY(IES).

#### 4.7 PERMITS

CONTRACTOR shall comply at all times with all APPLICABLE LAW throughout the term of this CONTRACT. It shall be the CONTRACTOR'S responsibility to determine which PERMITS, clearances, certifications, licenses, and similar approvals are required. CONTRACTOR shall bear the total cost of obtaining and/or renewing all of the foregoing.

CONTRACTOR hereby represents that, as of the EFFECTIVE DATE, all PERMITS required to perform its obligations in accordance with this CONTRACT have been secured and are in full force and effect. CONTRACTOR shall immediately notify the CITY in writing of any changes, modifications, renewals, or updates to any PERMITS that impact or otherwise materially relate to the work performed under this Agreement.

#### 4.8 Weighing Records

##### 4.8.1 Measurement Device and Procedures

CONTRACTOR shall provide CERTIFIED WEIGHT TICKETS of the ACCEPTED BLUE BIN MATERIAL delivered from each CITY collection vehicle and/or the CONTRACTOR'S transfer hauling vehicle to the MRFs. The CERTIFIED WEIGHT TICKETS shall show the FACILITY'S name, CITY'S name and WASTESHED name, driver's name, collection vehicle number, GROSS WEIGHT, TARE WEIGHT, NET WEIGHT, date, time, and vehicle license plate number from each CITY collection vehicle. All CERTIFIED WEIGHT TICKETS shall be signed by the certified WEIGHMASTER, as well as the driver of LASAN's or the CONTRACTOR'S transfer hauling vehicle. Omission of any of the required information shall result in the presumption that the vehicle in question contains six (6) TONS of MATERIAL delivered, which presumption shall be used for calculating payments to the CITY.

CONTRACTOR shall provide and maintain documentation that the CERTIFIED WEIGH STATION is in full compliance with all PERMITS required under APPLICABLE LAW. Upon CITY request, CONTRACTOR shall provide copies of the scalehouse calibration reports to the CITY PROJECT MANAGER via email within two OPERATING DAYS after they are conducted. CITY shall have the authority to verify the station's accuracy and its certification without prior notice.

CONTRACTOR shall retake the TARE WEIGHT of the vehicles (LASAN collection vehicles and transfer haul trucks/trailers) on a quarterly basis (i.e., every three (3) months), or more frequently as necessary in the CONTRACTOR'S sole discretion, to ensure that the NET WEIGHT of the BLUE BIN MATERIALS is correct.

##### 4.8.2 Incapacitation of CERTIFIED WEIGH STATION

To the extent that the CONTRACTOR'S CERTIFIED WEIGH STATION scale is not operating or cannot be used for any reason, CONTRACTOR shall notify the CITY

PROJECT MANAGER, via phone and email, within one (1) hour of non-operation. CONTRACTOR shall provide an alternative CERTIFIED WEIGH STATION and provide the address to the CITY. The CITY has the right to inspect this alternative CERTIFIED WEIGH STATION location at any time and request any documents pertaining to the verification of the CERTIFIED WEIGH STATION.

If an alternative CERTIFIED WEIGH STATION is not made available the same OPERATING DAY that the incapacitation occurs, CONTRACTOR shall provide portable scales to be used in their place until the permanent scales are operable.

If an alternative CERTIFIED WEIGH STATION is not available or CONTRACTOR fails to provide portable scales, CITY shall not be obligated to provide BLUE BIN MATERIAL from the CITY-DESIGNATED WASTESHEDS. CONTRACTOR shall be responsible for damages directly incurred by the CITY. It is the responsibility of the CONTRACTOR to minimize the time that the scales are out of service.

#### 4.8.3 Weight Reports

CONTRACTOR shall provide a weight report including NET WEIGHT of ACCEPTED BLUE BIN MATERIAL unloaded on the MRF's tipping floor directly or via TRANSFER STATION, NET WEIGHT of UNPROCESSED BLUE BIN MATERIAL (see Section 4.9) removed from the MRF's tipping floor, and the monthly total weight of RESIDUE delivered to the landfill for disposal (see Section 4.10). The weight report shall be submitted in an Excel document on a monthly basis with the invoice and used for determining payment amount (Article 11).

#### 4.8.4 CITY Representative to Monitor Compliance

The CONTRACTOR agrees that the CONTRACTOR'S FACILITIES and equipment used for the performance of this AGREEMENT are subject to reasonable inspections, during hours of operation as specified in Section 4.4.3, by CITY personnel or its agents upon forty-eight (48) hours prior written notice. Said inspections shall be for the purpose of ensuring compliance with the terms of this AGREEMENT and APPLICABLE LAWS, including but not limited to WASTE CHARACTERIZATION studies (see Sec. 4.11). CITY personnel must always be accompanied by the CONTRACTOR while onsite.

### 4.9 Inspection for UNPROCESSED MATERIAL and NONCONFORMING WASTE

CONTRACTOR shall inspect each BLUE BIN MATERIAL load delivered on the tipping floor of the MRFs for UNPROCESSED MATERIAL and NONCONFORMING WASTE.

#### 4.9.1 Moisture

If the load contains more than 10% moisture, as determined by CONTRACTOR's visual inspection process, the entire load shall not undergo processing at the MRF and shall be considered UNPROCESSED MATERIAL. Such wet load shall be transloaded and transported to a landfill or other acceptable facility for proper disposal pursuant to Section 40194 of the California Public Resources Code.

#### 4.9.2 CONTAMINATION

During the inspection, CONTRACTOR shall exercise due diligence in identifying and removing, if reasonably practicable, any CONTAMINATED portion of the load. Upon identifying the CONTAMINATED portion of the load, the CONTRACTOR shall separate it from the rest of the load on the tipping floor. If the load contains more than 50% CONTAMINATION, as determined by CONTRACTOR's visual inspection process, the entire load shall not undergo PROCESSING at the MRF, and shall be considered UNPROCESSED MATERIAL. Such CONTAMINATED load shall be transloaded and transported to a landfill or other acceptable facility for proper disposal pursuant to Section 40194 of the California Public Resources Code.

#### 4.9.3 Documentation of UNPROCESSED MATERIAL

Upon identifying such UNPROCESSED MATERIAL load, CONTRACTOR shall promptly notify the CITY PROJECT MANAGER. CONTRACTOR shall also take three (3) photos of the UNPROCESSED MATERIAL load, showing the level of moisture or CONTAMINATION, and shall email these photos to the CITY PROJECT MANAGER within three (3) OPERATING DAYS.

CONTRACTOR shall indicate on each invoice, the following information on any UNPROCESSED MATERIAL load: date, time, NET WEIGHT, TARE WEIGHT, GROSS WEIGHT, ticket number, and WASTESHED associated with the UNPROCESSED MATERIAL load.

#### 4.9.4 NONCONFORMING WASTE

Notwithstanding any provision in this Agreement to the contrary, CONTRACTOR has the right to refuse, or to reject after acceptance, any load(s) of BLUE BIN MATERIAL that is NONCONFORMING WASTE in whole or in part. CONTRACTOR shall have the right to inspect all vehicles and containers of BLUE BIN MATERIAL delivered by the CITY in order to determine the presence of NONCONFORMING WASTE. The CITY shall be responsible for, and bear all expenses and damages incurred by CONTRACTOR as a result of the reloading, removal, and disposal of NONCONFORMING WASTE as provided for in Section 11.3.2.

### 4.10 RESIDUE Handling

CONTRACTOR shall implement an efficient processing system that effectively removes CONTAMINATION from the RECYCLABLES. Any expenses incurred for the transfer, hauling, and disposal of RESIDUE remaining after PROCESSING will be included within the BLENDED VALUE (Section 11.2).

#### 4.11 Responsibility to MARKET RECYCLABLES

A. CONTRACTOR shall, as reasonably practicable based on the CITY-delivered waste stream, PROCESS RECYCLABLES into COMMODITIES that conform to specifications for sale in appropriate end markets.

B. CONTRACTOR shall not send COMMODITIES to a landfill and/or otherwise dispose of COMMODITIES without the prior mutual agreement of CITY and CONTRACTOR.

C. CONTRACTOR shall make a good faith effort to expand the list of RECYCLABLE MATERIALS. Any new BLUE BIN MATERIAL that may be added to the list as RECYCLABLES shall be discussed in good faith and agreed upon between the CITY and the CONTRACTOR.

D. CONTRACTOR shall make a reasonable effort to MARKET all RECYCLABLE MATERIALS listed on Exhibit 03. However, if a material identified as RECYCLABLE on Exhibit 03 cannot be MARKETING as a COMMODITY (e.g., has no market value or negative value) during a given month, it will be considered CONTAMINATION and the CONTRACTOR shall dispose of the material.

E. CONTRACTOR shall identify intermediate processors and/or end-use markets and their specifications for acceptance of COMMODITIES. Acceptable markets for COMMODITIES must recycle or transform it into a useful and marketable end product. CONTRACTOR shall ensure that the processors and/or end-use markets are in compliance with all APPLICABLE LAWS.

F. CONTRACTOR shall provide at the end of each quarter a report to the CITY indicating where the COMMODITIES were MARKETING during that quarter. The report will indicate the COMMODITY, TONS, and destination of the market and the name of the company and its address, country, phone number, and contact name. CONTRACTOR shall make a good faith effort to MARKET the COMMODITIES in North America, although nothing shall be construed herein as limiting CONTRACTOR from MARKETING the COMMODITIES in regions outside of North America.

G. CONTRACTOR shall assist the CITY in verifying the destination, stewardship, and best end use of the COMMODITIES and their end products. When

requested by the CITY up to a maximum of one (1) time per fiscal year, CONTRACTOR also agrees to arrange for and provide, at its own expense, an opportunity for the CITY to visit and inspect such facilities where the sorted COMMODITIES are manufactured into products. The visits are important in order to verify that these processes meet operational and environmental quality standards. CONTRACTOR shall cover all expenses and arrange a presentation to demonstrate that the CONTRACTOR is meeting the CONTRACT requirements, as provided herein. These provisions shall be made for up to four (4) CITY representatives and shall apply to facilities located within the continental United States only.

H. CITY and its representatives can make unannounced visits to all of the CONTRACTOR'S FACILITIES, including SUBCONTRACTOR'S facilities, used to provide the services of this AGREEMENT.

#### 4.12 WASTE CHARACTERIZATION STUDIES

CITY will evaluate BLUE BIN MATERIAL delivered to CONTRACTOR from the West Valley and East Valley WASTESHED through the CONTRACTOR'S performance of WASTE CHARACTERIZATION studies. CONTRACTOR shall adhere to the CITY-approved protocol detailed in Exhibit 05. The information will be used to track the characteristics of the BLUE BIN MATERIAL being delivered in order to:

- (a) Ascertain the composition of the BLUE BIN MATERIALS; and
- (b) Evaluate the overall efficiency of the recycling program.

The CITY will observe and validate the WASTE CHARACTERIZATION study.

A WASTE CHARACTERIZATION shall be conducted three (3) times per year (every 4 months). CITY and the CONTRACTOR shall agree upon the dates to conduct the WASTE CHARACTERIZATION. CONTRACTOR shall agree to add to the WASTE CHARACTERIZATION any RECYCLABLE listed in Exhibit 03. CITY and the CONTRACTOR may from time to time discuss the possibility of eliminating one (1) annual test, and if both parties mutually agree, then during that year period, there will be only two (2) tests performed.

CONTRACTOR shall send the results of the WASTE CHARACTERIZATIONS to the CITY via email within seven (7) OPERATING DAYS of the conclusion of the study. The results shall conform to the forms and templates in Exhibit 05 and shall include the volume and weight of each material type present as well as at least 1 photograph of each type of BLUE BIN MATERIAL in the load being sorted.

All WASTE CHARACTERIZATION studies shall be conducted by the CONTRACTOR at the CONTRACTOR'S sole expense.

A WASTE CHARACTERIZATION study can be rescheduled or canceled if the CONTRACTOR has FACILITY issues such that the CONTRACTOR cannot conduct the study in a scheduled week. Such requests, if known in advance, must be submitted in writing to the CITY PROJECT MANAGER at least fourteen (14) CALENDAR DAYS prior to the scheduled WASTE CHARACTERIZATION week. However, the WASTE CHARACTERIZATION cannot be canceled more than once during one (1) calendar year except in the case of emergencies or similarly critical issues, and cancellation requests will not be granted during the first calendar year of the AGREEMENT.

#### 4.13 Recycling Education Programs

The CITY has an educational component to the curbside collection program with the objective of helping educate the public to increase recycling participation and reduce CONTAMINATION in the CITY'S blue bins. CONTRACTOR shall assist the CITY in supporting educational program activities relative to the curbside recycling program, a program with mutual benefit for both the CITY and the CONTRACTOR.

After the end of each fiscal year, CONTRACTOR shall contribute one (1) dollar (\$1.00) per TON of non-CONTAMINATED BLUE BIN MATERIAL delivered (i.e., total BLUE BIN MATERIAL delivered less the percentage of CONTAMINATION), in the form of a check payable to the City of Los Angeles.

The CITY shall have sole discretion of the use of these funds for its educational program initiatives, with a focus on educating residents about the proper usage of blue bins. These initiatives may include various forms of education, including printed materials, giveaways, workshops, digital tools such as mobile applications, advertising both physically and digitally, and covering staffing costs for recycling ambassadors (Section 6.5). Educational materials that include information about other CITY recycling programs alongside the blue bin program remain eligible for funding utilization.

This contribution shall be made after the conclusion of every fiscal year for the life of the CONTRACT, provided that the CITY has paid all outstanding invoices for the fiscal year. CONTRACTOR shall have sixty (60) CALENDAR DAYS after all outstanding invoices have been paid to provide the Recycling Education Program funds to the CITY. Checks shall be submitted to the CITY PROJECT MANAGER.



## **ARTICLE 5 – KEY CONTRACTOR PERSONNEL**

5.1 CONTRACTOR designates the following person to represent the CONTRACTOR in all matters pertaining to this AGREEMENT:

Robert Zaratsian  
Vice President of Business Development  
Athens Services  
12303 Montague Street, Pacoima, CA 91331  
Office: (626) 855-7283

CONTRACTOR may designate another project representative, subject to the CITY PROJECT MANAGER'S approval.

5.2 CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions as long as required by the CONTRACT, and CONTRACTOR shall not change personnel assigned to these positions without the prior written consent and approval of the CITY'S PROJECT MANAGER, whose consent shall not be withheld unreasonably.

5.3 Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT. The CITY has the right to review and approve any personnel who are assigned to work under this CONTRACT. The CONTRACTOR shall remove personnel from performing work under this CONTRACT if requested to do so by the CITY.

5.4 CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT without the prior written approval of the CITY, which shall not be unreasonably conditioned, delayed, or denied. If CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and paying all SUBCONTRACTORS. CITY has the right to approve SUBCONTRACTORS, and the CITY reserves the right to reasonably request replacement of any SUBCONTRACTOR. The CITY does not have any obligation to pay the SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and any SUBCONTRACTOR.

## **ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY**

The CITY designates Nicholas Nuccio as its CITY PROJECT MANAGER to represent the CITY in all matters within the scope of this AGREEMENT relating to the conduct and approval of the work to be performed. Whenever the term "approval of CITY," "consult



with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER. The CITY may designate another CITY employee to succeed Nicholas Nuccio as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event. The CITY PROJECT MANAGER'S authority shall extend to authorizing program modifications to this CONTRACT that are mutually agreed upon in writing by the CITY and the CONTRACTOR.

Contact information for the CITY PROJECT MANAGER is as follows:

Name:	Nicholas Nuccio
Address:	1149 S Broadway Suite 500, MS 521 Los Angeles, CA 90015
Telephone:	(213) 820-5685
E-mail:	nicholas.nuccio@lacity.org

The CITY designates Ronaldo Milo as the CITY PROGRAM MANAGER, Bernadette Halverson as the CITY's Assistant Division Manager, and Cecile Buncio as the CITY DIVISION MANAGER.

The CITY shall furnish, without charge, facilities and resources available to the CONTRACTOR as deemed reasonably necessary and appropriate by the CITY.

#### 6.1 Delivery Commitment of BLUE BIN MATERIALS

The CITY will collect BLUE BIN MATERIALS from its curbside recycling program and deliver them to the designated FACILITY(IES). However, the CITY cannot guarantee a minimum tonnage of BLUE BIN MATERIALS to be delivered to CONTRACTOR. Further, CITY does not provide any assurances regarding the consistency of the tonnage levels delivered, the composition of the BLUE BIN MATERIALS, or the geographic boundaries of CITY-DESIGNATED WASTESHEDS.

#### 6.2 Notice of Change in Collection

CITY will provide the CONTRACTOR with fourteen (14) OPERATING DAYS' advance written notice of any long-term changes that the CITY plans to implement in:

- A. Collection routes within the collection areas being served by the CONTRACTOR;
- B. The collection areas to be served by the CONTRACTOR;
- C. Collection schedules; or

D. Modifications to the collection vehicle fleet.

If the timing of such planned changes precludes the CITY from providing such advance notice to the CONTRACTOR, the CITY shall use reasonable efforts to provide such notice within two (2) OPERATING DAYS of the CITY'S decision to make such changes.

This paragraph shall not be construed to limit, in any way, the CITY'S right, in its sole discretion, to implement such changes, provided that such changes do not alter the CITY'S aforesaid obligation to deliver BLUE BIN MATERIALS in accordance with Section 6.1 herein. Furthermore, the CITY shall have no obligation to notify the CONTRACTOR of day-to-day operating decisions or the CITY'S responses to unforeseen events that may affect (a) through (d) of this Section.

6.3 CITY Collection Vehicles

The CITY shall deliver BLUE BIN MATERIALS collected by the CITY in clearly identified CITY collection vehicles. Each vehicle shall have its identification number clearly marked and visible to the CERTIFIED WEIGH STATION operator. The CONTRACTOR or the CITY, in their respective reasonable discretion, may require the periodic revalidation of the TARE WEIGHT of any CITY vehicle. The CITY reserves the right to modify its collection vehicle fleet as it deems necessary.

6.4 Title to BLUE BIN MATERIALS Collected by the CITY

Title to all BLUE BIN MATERIALS, including RECYCLABLES, UNPROCESSED MATERIAL, and CONTAMINATION, shall transfer to the CONTRACTOR upon ACCEPTANCE by the CONTRACTOR at the FACILITY(IES).

6.5 Ambassador Program

BLUE BIN MATERIAL collected by the CITY is expected to contain RECYCLABLES and CONTAMINATION. LASAN's Ambassador Program educates the public on various types of different materials that should be placed in each appropriate bin. The goal of the program is to reduce CONTAMINATION and increase recycling. The Ambassador Program will include public education and community outreach.

**ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS**

The term of this AGREEMENT shall be for five (5) years from the date of full execution as specified herein with two (2) five (5)-year renewal options. The renewal(s) shall be subject to mutual written consent of both CITY and CONTRACTOR, unless terminated as provided under Article 9 or extended by a duly approved amendment to this AGREEMENT

and signed by both parties. The CITY has the sole discretion to not renew the contract after the first five (5)-year term.

In addition to the two (2) five (5)-year renewal options, upon mutual written consent of both CITY and CONTRACTOR, the CITY may elect to extend the AGREEMENT on a month-to-month basis for a maximum of six (6) months, during which period the CITY and the CONTRACTOR shall continue performance under the terms of this AGREEMENT. A month-to-month extension could occur at the end of the initial five (5)-year term, at the end of the second five (5)-year term, or at the end of the third five (5)-year term, by providing the CONTRACTOR written notice at least 90 CALENDAR DAYS prior to expiration of the first five (5)-year term, second five (5)-year term, or last five (5)-year term of this AGREEMENT, respectively. During the period of the month-to-month extension, CITY shall increase the expenditure amount for services performed by CONTRACTOR by a maximum of ten (10) percent of the total CONTRACT cost. During such a period of month-to-month operation, if the CITY decides to terminate CONTRACT, the CONTRACTOR shall be obligated to continue performance for at least sixty (60) CALENDAR DAYS, but not beyond the six (6)-month maximum extension, after written notice from the CITY.

Unless otherwise provided, this CONTRACT shall take effect when all of the following events have occurred:

- A. This CONTRACT has been signed on behalf of the CONTRACTOR by the person or persons authorized to bind the CONTRACTOR;
- B. This CONTRACT has been approved by the City Council or by the BOARD, officer, or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this CONTRACT as to form; and
- D. This CONTRACT has been signed on behalf of the CITY by the person designated by the City Council, or by the BOARD, officer, or employee authorized to enter into this CONTRACT.

## **ARTICLE 8 – SUSPENSION - INTENTIONALLY OMITTED**

## **ARTICLE 9 – TERMINATION**

- A. This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may

be effected unless the other party is given (1) not less than sixty (60) CALENDAR DAYS' written notice (delivered by certified mail, return receipt requested) of intent to terminate and (2) an opportunity for consultation with the terminating party prior to termination.

The opportunity for consultation will include an opportunity to cure the events leading to any substantial failure within thirty (30) CALENDAR DAYS of the terminating party's written notice. If additional time is needed to effect a cure, such time may be requested in writing to the terminating party subject to the terminating party's approval, which will not be unreasonably withheld.

B. This AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against the CONTRACTOR, or if the CONTRACTOR makes an assignment for the benefit of creditors or (2) the CONTRACTOR engages in any dishonest conduct related to the performance or administration of this AGREEMENT or (3) the CONTRACTOR violates the CITY'S lobbying policies or (4) the CONTRACTOR defaults.

C. If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work and (2) any payment due the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default.

D. Upon receipt of a termination action under Section 9(A) above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise) and (2) deliver, license or sublicense, or otherwise make available to the CITY within thirty (30) business days of said termination action all finished or unfinished documents and materials produced or procured under this CONTRACT, which shall become CITY property upon date of such termination in accordance with reasonable terms and conditions, including measures required to protect the CONTRACTOR with respect to any of its licensors. The CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein within thirty (30) business days of said termination.

E. The rights and remedies of the parties provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this AGREEMENT.

## **ARTICLE 10 – SUBCONTRACT APPROVAL**

All subcontracts that are one half of one percent (0.5%) of the total CONTRACT amount or \$10,000, whichever is greater, shall require the prior approval of the CITY, whose approval shall not be unreasonably conditioned, delayed, or denied. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. Wholly owned subsidiaries of the CONTRACTOR shall not be considered SUBCONTRACTORS' subconsultants. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT (Exhibit 07, Schedule A) without the prior written approval of the CITY. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

## **ARTICLE 11 – COMPENSATION, INVOICING, AND PAYMENT**

### **11.1 PROCESSING UNIT PRICE (PUC)**

A. The PUC includes the CONTRACTOR's costs as itemized in Exhibit 06. As of EXECUTION DATE, the PUC is \$128.75 per TON of ACCEPTED BLUE BIN MATERIAL. This fee shall be adjusted annually in accordance with Section 11.1(B).

B. Beginning July 1, 2025, and every July 1 thereafter, CONTRACTOR may elect to adjust any rates or fees subject to adjustment under this Agreement for the fiscal year. Such rates/fees will be adjusted, using a Consumer Price Index ("CPI"), as follows:

$$1 + (\% \text{ change in CPI-WST})$$

where "% change" is the percentage change in the index from the previous year. CPI-WST is the Consumer Price Index for All Urban Consumers: Water, Sewer and Trash Collection Services in U.S. City Average, as computed and published by the Bureau of Labor Statistics, U.S. Department of Labor (Series ID CUUR0000SEHG) The percent change in CPI-WST shall be computed using current and prior year April values for these indices.

Except as expressly specified in this Article 11, the CPI index presented above shall be the sole basis for regular adjustments to the fees in section 11.1(A), 11.2.3,

and 11.3.2. These annual adjustments shall never be less than 0 percent (0%) or greater than five percent (5%). Any percentage amount calculated that is lower or higher than these thresholds shall be carried forward and included in future rate adjustments, provided, however, that the total amount of any future adjustments remain within the above range.

No later than May 15, 2025 and each May 15 thereafter, Contractor must provide calculations thereof to CITY for the rate adjustment set to take effect on the following July 1. No later than June 15, 2025 and each June 15 thereafter, CITY may verify the accuracy of CONTRACTOR's calculations. In the event of any perceived miscalculations, the CITY and CONTRACTOR will immediately meet and confer to resolve such miscalculations. In the event of a further disagreement over the calculation of any CPI adjustment(s), CITY and CONTRACTOR will meet and confer within fifteen (15) days, or as may be extended by mutual agreement (email communication acceptable) to resolve any dispute. All adjustments stipulated in this section will be subject to CITY approval, which shall not be unreasonably delayed, conditioned, or denied; and such approval will be granted for accurately calculated CPI Adjustment(s).

## 11.2 BLENDED VALUE

For ACCEPTED BLUE BIN MATERIAL loads, CONTRACTOR will calculate a BLENDED VALUE as follows:

### 11.2.1 COMMODITIES

The categories of RECYCLABLES are listed in Exhibit 03. Any BLUE BIN MATERIAL not included in the foregoing will be considered CONTAMINATION. Any of these RECYCLABLES that do not have market value in a given month will not be considered COMMODITIES and instead be considered CONTAMINATION. Current COMMODITIES are shown below in Illustrative Table 1, Column A.

### 11.2.2 Recovery Rate

CONTRACTOR will determine the Recovery Rate ("RR") of each COMMODITY on a monthly basis. RR will be calculated using the actual TONS of COMMODITIES recovered at CONTRACTOR's Sun Valley MRF for the current month divided by the TONS of all RECYCLABLE and CONTAMINATED materials PROCESSED in the same month at CONTRACTOR's Sun Valley MRF. UNPROCESSED MATERIALS and NONCONFORMING WASTE shall not be included when calculating the RR. An example of RR is shown below in Illustrative Table 1, Column B.

### 11.2.3 Scrap Value (SV)

Next, on a monthly basis, CONTRACTOR will determine the Scrap Value ("SV") for each COMMODITY and CONTAMINATION as below:

- A. For All COMMODITIES, the SV will be based on the price of the COMMODITY at point of sale in the current month, as recorded in sales invoices and/or purchase orders maintained by the CONTRACTOR. If there is more than one sale or order price per COMMODITY in any given month, then both the high and low rates will be provided to calculate the average SV. Purchase orders filed in previous months that are still actively being fulfilled by the CONTRACTOR during the current month are still considered valid for this calculation.
- B. The SV for CONTAMINATION will be a negative fixed value of \$45.00, adjusted annually in accordance with Section 11.1(B), based on the CONTRACTOR'S disposal costs including any applicable tip fees, special handling fees, transloading costs, and transportation costs.

An example SV for each COMMODITY type is shown in Illustrative Table 1, Column C.

#### 11.2.4 Refund to CITY for CRV

Next, CONTRACTOR will determine the CRV Refund for Aluminum Cans, HDPE-Natural, HDPE-Color, and PET using the sample calculations in Exhibit 02. An example of the CRV Refund value for applicable COMMODITIES is shown in Illustrative Table 1, Column D.

#### 11.2.5 BLENDED VALUE Calculation

Next, CONTRACTOR will determine the BLENDED VALUE for each COMMODITY type using the following equation:

$$\mathbf{BV = (SV + CRV) * RR}$$

An example of the BLENDED VALUE for each COMMODITY type is shown in Illustrative Table 1, Column E.



Illustrative Table 1

A	B	C	D	E
Material	RR (%)	SV (\$/ton)	CRV (\$/ton)	BV Per Commodity (\$/ton)
Aluminum Cans	0.25%	\$1,000.00	\$3,180.16	\$10.45
HDPE Natural	0.40%	\$440.00	\$119.07	\$2.23
HDPE Color	0.50%	\$220.00	\$119.07	\$1.69
PET	0.97%	\$215.00	\$1,405.76	\$15.74
Cardboard	23.64%	\$121.25		\$28.66
Mixed Paper	13.14%	\$42.50		\$5.58
Aseptic Poly Carton	0.10%	\$10.00		\$0.01
Aluminum Foil	0.05%	\$500.00		\$0.25
PET Clamshells	0.18%	\$180.00		\$0.33
Tin Cans	0.48%	\$120.00		\$0.58
Scrap Metal	1.57%	\$220.00		\$3.45
Mixed Bulky Rigid Plastics	1.18%	\$98.00		\$1.16
PP	0.28%	\$25.00		\$0.07
Mixed Glass	12.39%	\$32.65		\$4.05
Contamination	44.87%	-\$45.00		-\$20.19
<b>Total RR (%)</b>	<b>100.00%</b>	<b>Total Blended Value</b>		<b>\$54.06</b>

### 11.3 Service Fees

#### 11.3.1 Monthly Service Fee or Revenue Sharing

For material not subject to Section 11.3.2, on a monthly basis, CONTRACTOR shall calculate the Service Fee ("SF") due to the CONTRACTOR or Revenue Sharing ("RS") due to the CITY as follows:

- A. If the BLENDED VALUE is less than the PUC, then the SF shall equal the BLENDED VALUE less the PUC.
- B. If the BLENDED VALUE is greater than the PUC, then the RS shall be equal to the BLENDED VALUE less the PUC x 70%.

#### 11.3.2 Disposal Fees for UNPROCESSED MATERIAL and NONCONFORMING WASTE

If a load is determined by the CONTRACTOR to be UNPROCESSED MATERIAL, CONTRACTOR shall charge the CITY a service fee of \$77 per TON for transloading, transportation and disposal of such UNPROCESSED MATERIAL. The fee paid by



CITY under this section shall be adjusted annually in accordance with Section 11.1(B).

If a load is determined by the CONTRACTOR to be NONCONFORMING WASTE, CONTRACTOR shall be responsible for all the costs incurred in the handling, transportation, remediation and disposal of NONCONFORMING WASTE. Subject to CITY review and approval, CITY shall promptly reimburse the (i) DIRECT COSTS of cleaning up, removing, transporting, and disposing NONCONFORMING WASTE delivered to the CONTRACTOR'S FACILITIES plus (ii) ten percent (10%) of DIRECT COSTS to compensate CONTRACTOR for general administrative overhead and profit, multiplied by (iii) the CITY INBOUND ALLOCATION. Any NONCONFORMING WASTE costs will only be reimbursed provided that CONTRACTOR furnishes CITY cost substantiation, including CITY INBOUND ALLOCATION calculations for that month. For illustrative purposes only, if DIRECT COSTS are \$100.00 and the CITY INBOUND ALLOCATION is 50%, the amount owed to CONTRACTOR is \$55.00 ( $[\$100 + [\$100 \times 10\%]] = \$110 \times 50\% = \$55.00$ ).

CITY shall reimburse the CONTRACTOR for, and hold harmless, indemnify, and defend the CONTRACTOR against any claims, demands, suits, damages, penalties, charges, judgments, liabilities, or losses of any kind, except to the extent resulting from the sole negligence or willful misconduct of the CONTRACTOR which relate to the management of NONCONFORMING WASTE.

#### 11.4 Preparation of Invoice Package

CONTRACTOR shall prepare and submit, on a monthly basis, an itemized statement indicating the amount due to the CONTRACTOR or amount payable to the CITY under this Article 11 for the corresponding month.

Beginning with the first calendar month following the EFFECTIVE DATE, and on a monthly basis thereafter, the CONTRACTOR shall submit to the CITY an electronic statement, through email, at no additional cost to the CITY. The CITY may request a hard copy of the invoice as needed. The CITY will not pay for CONTRACTOR or SUBCONTRACTOR personnel for invoice preparation, communication expenses, or computer time charges. The CITY'S sole payment obligation for all services provided by the CONTRACTOR shall be the Service Fees as described in Section 11.3.

CONTRACTOR shall utilize a CITY-developed Excel spreadsheet to calculate the BV and resulting Service Fee or Revenue Sharing for the BLUE BIN MATERIALS ACCEPTED during the prior month (see Exhibit 01).

The following shall be enclosed with the monthly statement:

- A. Invoice or Payment Statement.
- B. Schedule B (See Section 11.5).
- C. Weight Reports (Section 4.7.3).
- D. CERTIFIED WEIGHT TICKETS (Section 4.7) received at the MRF.
- E. CITY-developed Excel spreadsheet with the calculated BV and total payment amount due to CONTRACTOR or amount due to the CITY (Exhibit 01).
- F. Sales invoices, purchase orders, or similar records sufficient to validate SV for COMMODITIES.
- G. Records sufficient to validate the recovery rate per COMMODITY, as used to determine the BV.
- H. To the extent a specific record is not identified above, the CONTRACTOR shall also make records available for inspection at CONTRACTOR'S offices sufficient to allow CITY to validate amounts invoiced in the monthly statement.

CONTRACTOR'S records and CITY review thereof shall be subject to the confidentiality provisions in Article 52 of this AGREEMENT.

If there is a payment to the CITY, the CONTRACTOR shall issue a payment check in the amount reflecting the amount due from the CITY-developed Excel spreadsheet (Exhibit 01). All statements shall be submitted via email to the CITY PROJECT MANAGER.

#### 11.5 Subcontractor Utilization Report (Schedule B)

CONTRACTOR shall submit a Subcontractor Utilization Form, Exhibit 08, as part of the monthly invoice, listing current MBE/WBE/SBE/EBE/DVBE/OBE amounts invoiced as part of the invoicing procedures. CONTRACTOR must provide an explanation for any item that falls short of the planned utilization with specific plans and recommendations for recovering any shortfalls in utilization. No such invoices shall be paid without the Subcontractor Utilization Form attachment. All invoices shall be subject to audit for a period of four (4) years from the termination of this AGREEMENT.

#### 11.6 Payment of Invoices

After receiving an invoice, CITY shall verify it for completeness and notify CONTRACTOR in writing once a complete invoice has been received. CITY shall have sixty (60) CALENDAR DAYS from the receipt of a complete invoice to review it for accuracy. In the

event of any dispute, CITY shall identify exceptions to the invoice in writing and with reasonable detail. The CITY and the CONTRACTOR shall analyze the foregoing information and resolve the dispute within the sixty (60) CALENDAR DAYS of the provision of the written identification of the exceptions to the invoice. If the parties cannot resolve the dispute within that period of time, it shall be submitted to dispute resolution pursuant to Article 23 of this AGREEMENT, as applicable. CITY shall notify CONTRACTOR in writing once an invoice is deemed accurate and approved.

Each party shall pay the counterparty any undisputed or approved amount for payment within sixty (60) CALENDAR DAYS after the CITY has approved the invoice.

The parties shall not be responsible for the payment of invoices submitted more than sixty (60) CALENDAR DAYS after the date of service.

#### 11.7 Late Charges

The CITY shall not pay late penalties or interest on outstanding invoices. The CITY shall not be responsible for the payment of any interest, late charges, or penalties incurred by the CONTRACTOR for any subcontractor or supplier from any item provided under the CONTRACT.

#### 11.8 Right of the CITY to Audit

Upon request, CONTRACTOR shall provide documentation of COMMODITY sales, shipping reports, payments, and CERTIFIED WEIGHT TICKETS, to assist the CITY PROJECT MANAGER during an audit as related to the CONTRACTOR'S performance under this AGREEMENT. The requested documentation shall be provided within fourteen (14) CALENDAR DAYS of a request by the CITY. The information requested shall be made available for audit by the CITY or designated representative(s) on behalf of the CITY, and to the extent the CITY reviews records relating to financial transactions or similar records, subject to Generally Accepted Auditing Standards. The CITY reserves the right to audit the above-stated records for up to four (4) years after the end of the term of this CONTRACT. CONTRACTOR shall retain all records stated for the same four (4)-year period after this CONTRACT expires.

The CONTRACTOR'S records and CITY review thereof shall be subject to the confidentiality provisions in Article 52 of this AGREEMENT.

#### 11.9 Compensation for EMERGENCY OPERATIONS

Compensation for PROCESSING and MARKETING of BLUE BIN MATERIAL received by the CONTRACTOR under EMERGENCY OPERATIONS(Section 4.4.6) shall be computed in accordance with Section 11.3.

In the event the BLUE BIN MATERIAL received under EMERGENCY OPERATIONS requires additional services such as but not limited to transloading and hauling, such terms shall be mutually agreed upon by the CONTRACTOR and the CITY in writing.

CONTRACTOR shall handle and submit reports and invoices or payment under EMERGENCY OPERATIONS separately from regular reports.

#### 11.10 Costs Incurred Prior to Contract Execution

Costs incurred by the CONTRACTOR prior to the actual date of full execution of this AGREEMENT shall only be payable to the CONTRACTOR if said costs were incurred in completing any task specifically authorized by this AGREEMENT, said costs are reviewed and approved by the CITY, and said approval for payment occurs after this AGREEMENT is fully executed. No such amount shall be due and payable until the CITY's approval. In no event shall interest be owed on any costs whatsoever incurred prior to the actual date and full execution of the AGREEMENT.

#### 11.11 False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the California False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

#### 11.12 Substantial Increased Costs

Should the CONTRACTOR experience substantial increased costs associated with the services it is providing pursuant to this AGREEMENT that are outside its control, the CONTRACTOR may request an increase in the cost per gross TON paid by the CITY based on cost substantiation. The CONTRACTOR agrees to provide the CITY with substantiated written documentation supporting its request for any increase in the cost per gross TON to the CITY. The CITY shall have the right to review the documentation and agree to pay the requested increase, pay a different negotiated amount, or deny the CONTRACTOR'S request, provided that any such request from CONTRACTOR is not unreasonably withheld, denied, or delayed. If the CITY denies the CONTRACTOR's request, the CONTRACTOR may submit the dispute to dispute resolution pursuant to Article 23 of this AGREEMENT, as applicable. Examples of increased costs outside of the CONTRACTOR'S control include but are not limited to CHANGE IN LAW and use or availability of landfills

in whole or part (including increased transportation costs, taxes, and fees associated with the change in use or availability of landfills). Any increase granted by the CITY shall be retroactive to the effective date of the increased cost upon a verifiable submission provided by the CONTRACTOR.

## **ARTICLE 12 – AMENDMENTS, CHANGES, OR MODIFICATIONS**

All amendments, changes, or modifications to this CONTRACT shall be in writing and signed and approved pursuant to the provisions of Article 7 at Sections A-D.

## **ARTICLE 13 – INDEMNIFICATION AND INSURANCE**

### **13.1 INDEMNIFICATION**

Except for the active negligence or willful misconduct of the CITY or any of its boards, officers, agents, employees, assigns, and successors in interest, CONTRACTOR shall defend, indemnify, and hold harmless the CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, and expenses, including but not limited to attorney's fees (both in-house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason to the extent of the negligent acts, errors, omission, or willful misconduct by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

### **13.2 INSURANCE**

During the term of this CONTRACT and without limiting the CONTRACTOR'S obligation to indemnify, hold harmless, and defend the CITY, the CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverage and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 09 hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 09 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative

Officer, Risk Management. The CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 09 hereto. Exhibit 09 is hereby incorporated by reference and made a part of this CONTRACT.

### 13.3 BONDS

All bonds required by the CITY shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 et seq., as amended from time to time.

## **ARTICLE 14 – INDEPENDENT CONTRACTORS**

The CONTRACTOR is an independent contractor and not as an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY.

## **ARTICLE 15 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR**

15.1 The CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within the CONTRACTOR'S profession, doing the same or similar work under the same or similar circumstances.

15.2 The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the CONTRACTOR under this AGREEMENT. The CONTRACTOR shall, at no additional cost to the CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services.

15.3 The CONTRACTOR shall exhibit proper professional judgment in the use of information furnished by the CITY in Article 6. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, the CONTRACTOR will notify the CITY in a reasonable manner within three (3) business days after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this AGREEMENT, as well as recommendations for the correction of such incorrect or misleading information.

15.4 The CONTRACTOR shall perform such professional services as may be necessary to accomplish the work required to be performed under this AGREEMENT in accordance with this AGREEMENT.

15.5 Except as specified in Article 13 and as otherwise provided in this AGREEMENT, the CONTRACTOR shall be and shall remain liable, in accordance with applicable law, for all damages to the CITY caused by the CONTRACTOR'S negligent performance of any of the services furnished under this AGREEMENT, except for errors, omissions, or other deficiencies to the extent attributable to the CITY, CITY-furnished data, or any third party (excepting any CONTRACTOR or SUBCONTRACTOR of any tier).

**ARTICLE 16 – INTELLECTUAL PROPERTY INDEMNIFICATION -  
INTENTIONALLY OMITTED**

**ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY - INTENTIONALLY  
OMITTED**

**ARTICLE 18 – OWNERSHIP AND LICENSE**

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this CONTRACT including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of the CITY for its use in any manner the CITY deems appropriate. The CONTRACTOR hereby assigns to the CITY all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this CONTRACT. The CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

The CONTRACTOR agrees that a monetary remedy for breach of this CONTRACT may be inadequate, impracticable, or difficult to prove and that a breach may cause the CITY irreparable harm. The CITY may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude the CITY from seeking or obtaining any other relief to which the CITY may be entitled.



For all Work Products delivered to the CITY that are not originated or prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT, the CONTRACTOR shall secure a grant, at no cost to the CITY, for a non-exclusive perpetual license to use such Work Products for any CITY purposes.

The CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by the CONTRACTOR relating to this CONTRACT shall include this provision to contractually bind its SUBCONTRACTORS performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein.

Notwithstanding any provisions in this CONTRACT to the contrary, CONTRACTOR grants no rights to any trademark, service mark, trade name, logo, business name or goodwill of CONTRACTOR (collectively, "CONTRACTOR Marks") except as licensed hereunder. CONTRACTOR will be, and shall at all times remain, the exclusive owner of the CONTRACTOR Marks. Additionally, the CITY acknowledges that, in the course of CONTRACTOR'S provision of services hereunder, CONTRACTOR may use computer software and related processes, tools, instructions, methods, and techniques that have been previously developed by CONTRACTOR, and that the same shall remain the sole and exclusive property of CONTRACTOR.

#### **ARTICLE 19 – SUCCESSORS AND ASSIGNS**

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT, which consent shall not be unreasonably conditioned, delayed, or denied, as required under Article 28.

#### **ARTICLE 20 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION**

All notices shall be made in writing and may be given by personal delivery, regular mail, or electronic mail. Notices sent by regular mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To the CITY:

Contact Person:                      Ronaldo Milo, CITY PROGRAM MANAGER



Address: City of Los Angeles Sanitation (SRSSD)  
1149 S. Broadway, Suite #500  
Los Angeles, CA 90015  
Telephone: (213) 485-3568  
E-mail: Ronaldo.Milo@lacity.org

Contact Person: Nicholas Nuccio, CITY PROJECT MANAGER  
Address: City of Los Angeles Sanitation (SRSSD)  
1149 S. Broadway, Suite #500  
Los Angeles, CA 90015  
Telephone: (213) 820-5685  
E-mail: nicholas.nuccio@lacity.org

To the CONTRACTOR:

Contact Person: Robert Zaratsian, CONTRACTOR PROJECT MANAGER  
Address: 12303 Montague St. Pacoima, CA, 91331  
Telephone: (626) 855-7283  
Email: RZaratsian@athensservices.com

**ARTICLE 21 – FORCE MAJEURE (EXCUSABLE DELAYS)**

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

**ARTICLE 22 – SEVERABILITY**

Should any portion of this AGREEMENT be determined to be void or unenforceable, such shall be severed from the whole and the AGREEMENT will continue as modified.

**ARTICLE 23 – DISPUTES**

Prior to commencing of any litigation, if any dispute, controversy, or claim arises out of or relates to the enforcement, or interpretation of this CONTRACT or any part thereof, at

any time, the parties agree to submit the dispute, controversy, or claim to mediation. Such arbitration shall be conducted by a single mediator. If, within twenty (20) days from the receipt of a request to mediate (or such longer period mutually agreed to by the parties), the parties are unable to agree on a mediator, the mediator selected by the CITY and the mediator selected by CONTRACTOR shall appoint a third mediator and the appointed mediator shall be the mediator of the mediation requested under this provision. Each party shall bear its own costs and expenses of any mediation. Each party shall pay one-half of the costs of the mediator. In the event that such dispute cannot be resolved by the parties hereto within ninety (90) days of a request to mediate, unless extended by mutual agreement, either party can commence litigation.

#### **ARTICLE 24 – ENTIRE AGREEMENT**

This AGREEMENT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

#### **ARTICLE 25 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT**

Each party's performance shall comply with all APPLICABLE LAWS of the United States of America, the State of California, and the CITY, including, but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing. This CONTRACT shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. The CONTRACTOR shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this CONTRACT with no additional compensation paid to the CONTRACTOR, except as detailed in Section 11.12, provided that any modifications to the CONTRACT required as a result of new, amended, or revised laws, regulations, or procedures that apply to the performance of this CONTRACT are first subject to Article 12.

In any action arising out of this CONTRACT, the CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this CONTRACT is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation having jurisdiction over this AGREEMENT, the validity of the remaining parts, terms, or provisions of this CONTRACT shall not be affected.

## **ARTICLE 26 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED**

For the duration of this CONTRACT, the CONTRACTOR shall maintain valid Business Tax Registration Certificate(s) as required by the CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

## **ARTICLE 27 – WAIVER**

A waiver of a default of any part, term, or provision of this CONTRACT shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

## **ARTICLE 28 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION**

The CONTRACTOR may not, unless it has first obtained the written permission of the CITY:

- A. Assign or otherwise alienate any of its rights under this CONTRACT, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this CONTRACT.

## **ARTICLE 29 – PERMITS**

The CONTRACTOR and its directors, officers, partners, agents, employees, and SUBCONTRACTORS, to the extent allowed hereunder, shall obtain and maintain all licenses, PERMITS, certifications, and other documents necessary for the CONTRACTOR'S performance of this CONTRACT and shall pay any fees required therefore. The CONTRACTOR certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to the CONTRACTOR'S performance of this CONTRACT.

## **ARTICLE 30 – BEST TERMS - INTENTIONALLY OMITTED**

## **ARTICLE 31 – CLAIMS FOR LABOR AND MATERIALS**

The CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this CONTRACT so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder) and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this CONTRACT.

## **ARTICLE 32 – BREACH**

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

## **ARTICLE 33 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT**

Unless otherwise exempt, this CONTRACT is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, the CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status, or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this CONTRACT by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of

this CONTRACT by reference and will be known as the "Equal Employment Practices" provisions of this CONTRACT.

- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Affirmative Action Program" provisions of this CONTRACT.

Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

#### **ARTICLE 34 – CHILD SUPPORT OBLIGATIONS ASSIGNMENT ORDERS**

The CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of the CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT. Failure of the CONTRACTOR or principal owner to cure the default within ninety (90) CALENDAR DAYS of the notice of default will subject this CONTRACT to termination for breach. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

#### **ARTICLE 35 – LIVING WAGE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE**

##### **35.1 LIVING WAGE ORDINANCE**

The CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. The CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. (Exhibit 11)

##### **35.2 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE**

The CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

## **ARTICLE 36 – ACCESS AND ACCOMMODATIONS**

The CONTRACTOR represents and certifies that:

- A. the CONTRACTOR shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and the California Government Code Section 11135;
- B. The CONTRACTOR shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services, and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and FACILITIES used to provide services under this CONTRACT are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The CONTRACTOR understands that the CITY is relying upon these certifications and representations as a condition to funding this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

## **ARTICLE 37 – CONTRACTOR RESPONSIBILITY ORDINANCE**

The CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

## **ARTICLE 38 – LOS ANGELES BUSINESS INCLUSION PROGRAM**

Unless otherwise exempted prior to bid submission, the CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Regional Alliance Marketplace for Procurement ("RAMP") at [www.rampla.org](http://www.rampla.org) to perform

and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform subcontractor outreach activities through RAMP. The CONTRACTOR shall not change any of its designated SUBCONTRACTORS or pledged specific items of work to be performed by these SUBCONTRACTORS, nor shall the CONTRACTOR reduce their level of effort, without prior written approval of the CITY.

#### **ARTICLE 39 – DISCLOSURE ORDINANCES**

Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq., of the Los Angeles Administrative Code, as may be amended from time to time. The CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. Exhibit 10 is attached hereto and incorporated herein by this reference.

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The CITY may terminate this CONTRACT at any time if the CITY determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

#### **ARTICLE 40 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE**

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYS to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

#### **ARTICLE 41 – MUNICIPAL LOBBYING ORDINANCE**

The CONTRACTOR for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with



the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 17, if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

#### **ARTICLE 42 – FIRST SOURCE HIRING ORDINANCE**

The CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

#### **ARTICLE 43 – COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/ FUNDRAISING**

Unless otherwise exempt, if this CONTRACT is valued at \$100,000 or more and requires approval by an elected CITY office, the CONTRACTOR, CONTRACTOR'S principals, and the CONTRACTOR'S SUBCONTRACTORS expected to receive at least \$100,000 for performance under this CONTRACT, and the principals of those SUBCONTRACTORS (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the CITY to terminate this CONTRACT and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for twelve months after this CONTRACT is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any CONTRACTOR subject to Charter Section 470(c)(12) shall include the following notice in any contract with any SUBCONTRACTOR expected to receive at least \$100,000 for performance under this CONTRACT:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract # \_\_\_\_\_. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("CITY") officials and candidates for elected CITY office for twelve months after the CITY Contract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten business days if it changes during the twelve-month time period.



Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at [ethics.lacity.org](http://ethics.lacity.org) or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

#### **ARTICLE 44 – COMPLIANCE WITH THE IRAN CONTRACTING ACT OF 2010**

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with the CITY for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." (Exhibit 20)

#### **ARTICLE 45 – INTEGRATED CONTRACT**

This CONTRACT sets forth all of the rights and duties of the parties with respect to the subject matter of this CONTRACT and replaces any and all previous contracts or understandings, whether written or oral, relating thereto. This CONTRACT may be amended only as provided for in the provisions of Article 12 hereof.

#### **ARTICLE 46 – DATA PROTECTION**

- A. The CONTRACTOR shall protect, using reasonably reliable security measures and technology that is commercially available, CITY-provided data or consumer-provided data acquired in the course and scope of this CONTRACT, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). The CONTRACTOR shall notify the CITY in writing as soon as reasonably feasible, and in any event within twenty-four hours, of the CONTRACTOR'S discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. The CONTRACTOR shall begin remediation immediately. The CONTRACTOR shall provide daily updates, or more frequently if required by the CITY, regarding findings and actions performed by the CONTRACTOR until the Data Breach or Security Incident has been effectively resolved to the CITY'S satisfaction. The CONTRACTOR shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with the CITY. At the CITY'S sole discretion, the CITY and its authorized agents shall have the right to lead or participate in the investigation. The CONTRACTOR shall cooperate fully with the CITY, its agents, and law enforcement.

- B. If the CITY is subject to liability for any Data Breach or Security Incident, then the CONTRACTOR shall fully indemnify and hold harmless the CITY and defend the CITY against any resulting actions.

#### **ARTICLE 47 – LOCAL BUSINESS PREFERENCE ORDINANCE**

The CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

#### **ARTICLE 48 – CITY CONTRACTOR’S USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS**

The CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

#### **ARTICLE 49 – COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS**

The CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to customers. The CONTRACTOR also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program, or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, the CONTRACTOR shall verify proper truncation of receipts in compliance with FACTA.

#### **ARTICLE 50 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164**

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor if the person has been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, the CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by the CITY. The CONTRACTOR is required to have all employees, volunteers, and SUBCONTRACTORS (including all employees and volunteers of any SUBCONTRACTOR) of the CONTRACTOR working on the premises to pass a fingerprint and background check through the California Department of Justice at the CONTRACTOR'S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

#### **ARTICLE 51 – POSSESSORY INTERESTS TAX**

Rights granted to the CONTRACTOR by the CITY may create a possessory interest. The CONTRACTOR agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, the CONTRACTOR shall pay the property tax. The CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

#### **ARTICLE 52 – CONFIDENTIALITY**

All documents, information, and materials provided to the CONTRACTOR by the CITY or developed by CONTRACTOR pursuant to this CONTRACT (collectively "Confidential Information") are confidential. Records that CONTRACTOR marks as "Trade Secret", "Confidential", or "Proprietary" (or words to similar effect) shall be treated as trade secret or proprietary pursuant to the California Public Records Act ("Trade Secret Information"). City will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act, including interpretations of the Act or the definition of "Trade Secret." CONTRACTOR shall be solely responsible for all determinations made under the Act, and, where appropriate, for clearly and prominently marking each and every page or sheet of information with "Trade Secret", "Confidential", or "Proprietary".

CONTRACTOR or CITY, as applicable, shall not provide or disclose any Confidential Information or Trade Secret Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by the CITY or CONTRACTOR or as required by law. CONTRACTOR shall immediately notify the CITY of any attempt by a third party to obtain access to any Confidential Information. CITY shall immediately notify CONTRACTOR of any attempt by a third party to obtain access to any

public records act request involving CONTRACTOR records. In the event of litigation concerning the disclosure of any Trade Secret Information submitted by the submitting party, CITY'S sole involvement will be as a stakeholder, retaining the information until otherwise ordered by a court. CONTRACTOR, at its sole expense and risk, shall be responsible for any and all fees and costs for prosecuting or defending any action concerning the Trade Secret Information, and shall indemnify and hold CITY harmless from and against all suits and causes of action, claims, losses, demands and expenses, including reasonable attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by CITY, including reasonable costs of experts and consultants), damages or liability of any nature whatsoever, in connection with such action.

This provision will survive expiration or termination of this CONTRACT.

#### **ARTICLE 53 – COUNTERPARTS**

This AGREEMENT may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the CITY) and sent by e-mail shall be deemed original signatures.

#### **ARTICLE 54 – COVID-19 VACCINATION REQUIREMENTS**

Unless otherwise exempt or inapplicable due to the scope of work under the AGREEMENT, employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor

Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

Notwithstanding the foregoing, CITY understands and agrees that CONTRACTOR will not provide In-Person Services under this AGREEMENT and is therefore exempt from this Article 54, provided that City reserves its right to require compliance hereunder in the event of any subsequent discovery of or change in circumstances that In-Person Services are or will be provided.

#### **ARTICLE 55 – CONTRACTOR DATA REPORTING**

If CONTRACTOR is a for-profit, privately owned business, CONTRACTOR shall, within 30 CALENDAR DAYS of the effective date of the CONTRACT and on an annual basis thereafter (i.e., within 30 CALENDAR DAYS of the annual anniversary of the effective date of the CONTRACT), report the following information to CITY via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by CITY: Contractor's and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). CONTRACTOR shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by CITY.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on the day and year written below.

**CITY OF LOS ANGELES**

By: \_\_\_\_\_

Title: Commissioner, Board of Public Works

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: Commissioner, Board of Public Works

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

**HYDEE FELDSTEIN SOTO, City Attorney**

By: \_\_\_\_\_  
Virginia Choi

Title: Deputy City Attorney

Date: \_\_\_\_\_

**ATTEST:**

**HOLLY L. WOLCOTT, City Clerk**

By: \_\_\_\_\_

Title: Deputy City Clerk

Date: \_\_\_\_\_

**ARAKELIAN ENTERPRISES, INC.  
dba ATHENS SERVICES**

By: 

Title: EXECUTIVE OFFICER

Date: MAY 2, 2024