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October 28, 2022

BPW-2022-0702

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

The Honorable City Council
Room No. 395
City Hall

PERSONAL SERVICES CONTRACT – CITY OF LOS ANGELES CURBSIDE COLLECTION PROGRAM

As recommended in the accompanying report from the Directors of the Bureaus 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 receipt, transfer, processing, and beneficial reuse of organic waste from the City of Los Angeles with the following firms: Arakelian Enterprises, Inc. DBA Athens Services, Recology Blossom Valley Organics - South, and Waste Management Recycling and Disposal Services of California, Inc. DBA Waste Management;
2. AUTHORIZE the President or two members of the Board will execute the contract;
3. AUTHORIZE the Bureau of Sanitation (BOS) to continue the discussion with Anaergia Services, LLC (Anaergia) for the placement of an organic processing facility at the City of Los Angeles Recycling and Transfer Station as instructed by Council; and
4. AUTHORIZE BOS to utilize consultant support to negotiate with Enviro-Pac for the development of new Anaerobic Digestion facilities to process organic waste to energy and other beneficial byproducts.

(W.O. S02MORGA)

Fiscal Impact: There is no impact to the General Fund.



Sincerely,

A handwritten signature in black ink, appearing to read "Campos", written in a cursive style.

DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:ch/lc

DEPARTMENT OF PUBLIC WORKS
BUREAU OF SANITATION
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Executive Officer
Board of Public Works

AND REFERRED TO THE MAYOR
AND REFERRED TO THE CITY COUNCIL

CD: ALL

AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICES CONTRACT WITH ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES, RECOLOGY BLOSSOM VALLEY ORGANICS - SOUTH, AND WASTE MANAGEMENT RECYCLING AND DISPOSAL SERVICES OF CALIFORNIA, INC. DBA WASTE MANAGEMENT FOR THE RECEIPT, TRANSFER, PROCESSING, AND BENEFICIAL REUSE OF ORGANIC WASTE FROM THE CITY OF LOS ANGELES' CURBSIDE COLLECTION PROGRAM (W.O. S02MORGA)

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 receipt, transfer, processing, and beneficial reuse of organic waste from the City of Los Angeles with the following firms: Arakelian Enterprises, Inc. dba Athens Services, Recology Blossom Valley Organics - South, and Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract.
3. Authorize LA Sanitation and Environment (LASAN) to continue discussion with Anaergia Services, LLC (Anaergia) for the placement of an organic processing facility at the City of Los Angeles Recycling and Transfer Station (CLARTS) as instructed by Council.
4. Authorize LASAN to utilize consultant support to negotiate with Enviro-Pac for the development of new Anaerobic Digestion (AD) facilities to process organic waste to energy and other beneficial byproducts.

TRANSMITTALS

1. Copy of the adopted LASAN and Bureau of Contract Administration Joint Board Report No. 1, dated October 1, 2021, authorizing LASAN to distribute a Request for Proposals (RFP) and to negotiate a contract for the receipt, transfer, processing, and beneficial reuse of organic waste from the City of Los Angeles.
2. Copy of the proposed Personal Services Contract between the City of Los Angeles and Arakelian Enterprises, Inc. dba Athens Services.

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3. Copy of the proposed Personal Services Contract between the City of Los Angeles and Recology Blossom Valley Organics - South.
4. Copy of the proposed Personal Services Contract between the City of Los Angeles and Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management.

FISCAL IMPACT STATEMENT

There is no General Fund impact resulting from the execution of these contracts. These contracts are funded by the Solid Waste Resources Revenue Fund No. 508 and the Integrated Solid Waste Management Fund No. 556.

DISCUSSION

Project Background

LASAN is responsible for the curbside collection of residential solid waste, including refuse, recyclables, green waste, and horse manure from more than 750,000 single family residences and small apartment complexes of four (4) units or less. Based on Fiscal Year (FY) 2020-21 operations, LASAN collected a daily average of 1,762 tons of green waste and horse manure.

Approximately 81% of the currently collected green waste and horse manure is processed by contracted facilities, while the remaining 19% is processed by City facilities at the Lopez Canyon Environmental Center in the Valley and the Harbor Mulching Facility in the Harbor. These facilities are primarily capable of processing green waste only through mulching, with limited contracted capacity for processing organic wastes including food waste.

The contracted facilities are located within the City as well as in neighboring counties. As a result, both contracted and City-owned transfer stations are used for the transfer of materials for hauling to out-of-County facilities. The City owns and operates the City of Los Angeles Recycling and Transfer Station (CLARTS) located at 2201 E. Washington Boulevard, Los Angeles, CA 90021, for the transfer of municipal solid waste (MSW) and organic waste. Approximately 200 tons per day (tpd) of City-collected organic waste are transferred through CLARTS.

On September 19, 2016, Senate Bill 1383 Short Lived Climate Pollutants was signed into law. SB 1383 was established to reduce the amount of organic waste disposed of state-wide by 75% by 2025. SB 1383 mandates the collection of organic waste, including but not limited to: green material, food material, food-soiled paper products, wood material, horse manure, and biosolids from all generators throughout the State.

The Mayor and the Council have set similar zero waste goals for the City. Mayor Garcetti's L.A.'s Green New Deal (GND) set ambitious goals to achieve 90% diversion of material from landfills by 2025, 95% by 2035, and 100% by 2050. Additionally, the GND set goals to provide food scraps collection to residential customers and City-serviced facilities with the intent to eliminate organic waste going into landfills by 2028. In alignment with both State and City goals, LASAN launched food waste collection programs, including food waste collection with the Los Angeles World

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Airports, City Hall's Homeboy Diner, LA Mall restaurants, and a residential food waste prevention and a food waste collection pilot project titled "Curb Your Food Waste LA".

In order to expand the curbside collection program, LASAN developed a Request for Proposals (RFP) to solicit vendors with the capacity and ability to process a wide variety of organic wastes.

On October 1, 2021, the Board authorized LASAN to release a RFP for the Receipt, Transport, Processing, and Beneficial Reuse of Organic Waste from the City of Los Angeles, and to select and negotiate contract(s) with qualified proposers (Transmittal No. 1). On October 7, 2021, the RFP was made available on the Los Angeles Business Assistance Virtual Network (LABAVN). A pre-proposal meeting was held virtually on October 27, 2021, in which a total of 42 people attended. Addenda were issued to address changes to the RFP. Answers to questions from the proposers were posted on LABAVN on October 8, 2021. In response to the RFP, LASAN received and evaluated eight (8) proposals. Of the proposals, Athens Services (Athens), Recology Blossom Valley Organics - South (Recology), and Waste Management (WM) have been selected for negotiation.

In order to continue providing these essential organics recycling services to the City, LASAN is recommending that the Board authorize the award and execution of a personal services contract for organics processing with Athens, Recology, and WM.

Recology has identified its Blossom Valley Organics - South (RBVOS) facility to compost organic waste delivered to the facility. LASAN will deliver material via CLARTS as well as through transload and transfer options being provided by Athens. LASAN will deliver up to 1,500 tpd of material to Recology.

Athens has identified its Crown Recycling Services Material Facility (CROWN) as well as three (3) transfer stations for the pre-processing, transload, and/or transfer of organic waste and the composting of material at RBVOS and American Organics. LASAN will deliver up to 1,500 tpd of material through Athens' facilities.

WM has identified its Bradley East Transfer Station/Sun Valley Recycling Park (BETS/SVRP) and Waste Transfer and Recycling (WTR) transfer station for the pre-processing, transloading, and/or transfer of organic waste and the composting of material at up to six (6) facilities. LASAN will deliver a minimum of 300 tpd of material through WM's facilities.

The proposed contracts with Athens, Recology, and WM will provide the City with sufficient transfer and processing infrastructure for removing up to 50% of organics that are currently disposed of in landfills. The proposed agreements are long term contracts that will provide price protection with predictable rate increases; this will mitigate the risk of price volatility in today's economic situation.

The RFP Process

On October 1, 2021, the Board authorized LASAN to distribute a RFP and to negotiate contract(s) for the receipt, transfer, processing, and beneficial reuse of organic waste from the City. The scope of work for this RFP was to receive, transfer, process, and beneficially reuse up to approximately 3,000 tpd of organic waste.

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The RFP provided the opportunity for qualified firms to submit proposals for initial five-year contracts with two (2) five-year renewal options. Eight (8) proposals were received in response to the RFP by the submittal deadline:

1. Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management (WM)
2. Recology Blossom Valley Organics - South (Recology)
3. Arakelian Enterprises, Inc. dba. Athens Services (Athens)
4. Anaergia Services, LLC (Anaergia)
5. ENVIRO-PAC/ (CLARK EVERGREEN) (Enviro-Pac)
6. StormFisher
7. True North Renewable Energy (TNRE)
8. CR&R

An evaluation panel consisting of five (5) LASAN staff from the Solid Resources program as well as the Regulatory Affairs Division with solid waste and healthy soils experience evaluated the proposals based on the criteria established in the RFP.

Description of Proposals

The eight (8) proposals were evaluated as described below. LASAN conducted virtual interviews and site visits from March 15, 2022, to May 10, 2022. A summary of findings of each proposer is as follows:

WM proposed the use of its BETS/SVRP at 9227 Tujunga Ave., Sun Valley, CA 91352. BETS/SVRP has a proposed processing capacity of a minimum of 300 tpd for organic waste. Additionally, they have proposed transfer capacity at WTR at 840 S. Mission Rd., Los Angeles, CA 90023.

Recology proposed the use of its RBVOS at 6061 N. Wheeler Ridge Rd., Lamont, CA 93241. Recology has not proposed any transfer facilities. LASAN will transfer material to Recology via CLARTS and transfer facilities offered by other proposers through this RFP. Recology has a permitted capacity of up to 3,000 tpd and has proposed receiving a minimum of 500 tpd and up to 1,500 tpd of organic waste from the City.

Athens proposed the use of its CROWN facility at 9189 De Garmo Ave., Sun Valley, CA 91352. Athens has proposed the pre-processing and transfer of material from CROWN to the RBVOS facility as well as its American Organics composting facility at 20055 Shay Rd., Victorville, CA 92394. Athens has also proposed transfer options at the Athens Industry Material Recovery Facility (AIMRF), Downey Area Recycling Transfer Station (DART), and the Paramount Resource Recovery Facility (PRR) for additional transload and transfer of organic waste. Athens has proposed receiving a minimum of 300 tpd and up to 1,500 tpd of organic waste from the City.

Anaergia proposed the development of an organics processing facility at CLARTS to pre-process organic waste into an organic slurry for subsequent transfer and Anaerobic Digestion (AD) at Anaergia's Rialto Bioenergy Facility (RBF), which is owned and operated by Anaergia at 503 E.

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Santa Ana Ave., Rialto, CA 92376. Alternatively, organic slurry could be digested at LASAN's water reclamation plants including the Hyperion Water Reclamation Plant and Terminal Island.

Enviro-Pac proposed a joint venture with Clark Technology/Engineering, Evergreen Energy, and Corval Group to build and operate a facility to convert organic waste using AD and pyrolysis. The proposed facility is located at 22647 Clampitt Road, Santa Clarita, CA 91321. The proposed facility would convert organics to biogas and fertilizer through AD and the ability to convert plastics into fuel through pyrolysis. Enviro-Pac proposes that their facility would divert 90% of solid waste from the landfill. The proposed facility would be able to accept 1,500 tpd of organic waste with the ability to increase up to 2,500 tpd of organic waste. Enviro-Pac proposes the facility would take 19 months to permit, construct, and commission.

StormFisher proposed the development of an AD facility at the existing Republic Falcon Transfer Station at 3031 E. I St., Wilmington, CA 90744. The proposed facility would convert organic waste into biogas through AD and then subsequently compost the digestate resulting from the AD process. The proposed facility would be able to accept up to 400 tpd of organic waste. StormFisher proposed the facility would take 36 months to permit, construct, and commission.

TNRE proposed the development of multiple sites for AD including: the Kern Organics Renewable Energy Facility (OREF) at United St. and Silver Queen Rd., Mojave, CA 93501, and the Imperial OREF at 194 E. Harris Rd., Imperial, CA 92251. The proposed sites would both be able to process up to 2,300 tpd of material at full scale. However, the proposed Kern and Imperial facilities are located approximately 100 miles and 200 miles away from CLARTS, respectively. TNRE has proposed an optional pre-processing and transfer option through the Valley Vista Grand Central Recycling and Transfer Station at 999 S. Hatcher Ave., Industry, CA 91748. TNRE proposes that the facilities would be commissioned by January 2025.

CR&R proposed the composting of organic waste at the Yuma County Landfill and Composting Facility at 19536 South Ave. 1E, Yuma, AZ 85365. The proposed facility has the ability to process an unlimited capacity of organic waste. However, the facility is located 283 miles away from CLARTS, and CR&R has proposed the ability to transfer up to 400 tpd of organic waste via CLARTS.

Proposed Tipping Fees

LASAN and WM have negotiated the following Tipping Fee (TF) schedules (Table 1). LASAN has committed a minimum of 300 tpd to BETS/SVRP and a minimum of 100 tpd to WTR. The TF at WM's facilities shall be increased each July 1 following contract execution.

The increase shall be calculated based on the Consumer Price Index for Water Sewer Trash (CPI-WST) inflation factor. The CPI-WST inflation factor is not to exceed 6% and in any year that the CPI-WST inflation factor exceeds 6%, the excess will be carried over to subsequent years.

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Table 1. WM Tipping Fees (\$/ton) (includes all applicable fees)

| TABLE 1.1 - BETS/SVRP RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, TRANSPORT, COMPOST, AND RESIDUAL DISPOSAL | | | | |
|---|---------------------|--|----------------------|-------------------------------|
| Term | | Daily Average Gross Tonnage per Bi-weekly Billing Cycle | | |
| | | 300 - 499 TPD | 500 - 999 TPD | Greater than 1,000 TPD |
| P | Total Organics Rate | \$147.63 | \$125.75 | \$108.02 |
| R | Total Residue Rate | \$121.64 | \$101.58 | \$86.93 |

| TABLE 1.2 - WTR RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, TRANSPORT, COMPOST, AND RESIDUAL DISPOSAL | | | | |
|---|---------------------|--|----------------------|-----------------------------|
| Term | | Daily Average Gross Tonnage Per Bi-weekly Billing Cycle | | |
| | | 100 - 249 TPD | 250 - 499 TPD | Greater than 500 TPD |
| P | Total Organics Rate | \$152.15 | \$141.07 | \$137.38 |
| R | Total Residue Rate | \$83.33 | \$80.91 | \$75.25 |

LASAN and Recology have negotiated the following TF schedules (Table 2). LASAN has committed to send a minimum of 500 tpd and up to 1,500 tpd to RBVOS. The TF at Recology's facilities shall be increased each July 1 following contract execution.

The increase shall be calculated based on the CPI-WST inflation factor. The CPI-WST inflation factor is not to exceed 6% and in any year the CPI-WST inflation factor exceeds 6%, the excess will be carried over to subsequent years.

Table 2. Recology Tipping Fees (\$/ton) (includes all applicable fees)

| RBVOS RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, COMPOSTING, AND RESIDUAL DISPOSAL | |
|---|-----------------------------|
| Contamination Tier | Service Fee (\$/ton) |
| 0 to 5% contamination by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$44.00 |
| 6 to 10% contamination by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$55.00 |
| 11 to 15% contamination by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$65.00 |
| Refuse Load (over 15% by weight, over 5% manure by weight, or over 1% glass by weight) processed | \$83.00 |
| Refuse Load (over 15% by weight, over 5% manure by weight, or over 1% glass by weight) disposed | \$93.23 |

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LASAN and Athens have negotiated the following TF schedules (Table 3). LASAN has committed to send a minimum of 700 tpd across all facilities and up to 1,500 tpd to CROWN. The TF at Athens' facilities shall be increased each July 1 following contract execution.

The increase shall be calculated based on a weighted price index using the Employment Cost Index for Total Compensation by Occupational Group and Industry for Private Industry Worker, Service Producing Industries, Trade, Transportation, and Utilities (ECI-TTU), the Producer Price Index for Solid Waste Collection (PCU562111562111) (PPI-SW), and the Producer Price Index for Transportation Industries (PCUATRASNSATRASNS) (PPI-T). The weighted cost index inflation factor is not to exceed 6% and in any year the inflation factor exceeds 6%, the excess will be carried over to subsequent years. Additionally, a transportation fuel surcharge (FS) will be added to the TF schedules. The FS will be calculated to account for fluctuations in the diesel fuel price and will be calculated against a baseline fuel price of \$4.00/gal.

Table 3. Athens Tipping Fees (\$/ton) (includes all applicable fees)

| Table 3.1 - CROWN | CROWN TPD | | |
|--|------------------|--------------------|------------------|
| Service Description | 300 - 500 | 501 - 1,000 | >1,000 |
| Transfer (\$/ton) | \$70.00 | \$65.00 | \$60.00 |
| Pre-Processing & Transfer (\$/ton) | \$78.00 | \$73.00 | \$68.00 |
| Transfer, Pre-Processing & Composting (\$/ton) | \$118.00 | \$113.00 | \$108.00 |
| Composting Facility | RBVOS | | |

| Table 3.2 - DART, PRR, and AIMRF | DART TPD | PRR TPD | AIMRF TPD |
|--|------------------|----------------|-------------------|
| Service Description | 100 - 500 | 200 | Max 100 |
| Transfer (\$/ton) | \$75.00 | \$75.00 | - |
| Transfer and Composting (\$/ton) | \$130.00 | \$130.00 | - |
| Transfer, Pre-Processing & Composting (\$/ton) | - | - | \$118.00 |
| Composting Facility | RBVOS | | American Organics |

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| Table 3.3 - Contamination Level | Contamination Fee (\$/ton) <i>(To be added to the Transfer, Pre-Processing & Composting Services Fee at Crown and Industry and the Transfer and Composting Service Fees at DART and PRR)</i> |
|--|--|
| > 5% – 10% | + \$10.00 |
| > 10%-15% | + \$15.00 |
| > 15%-20% | + \$20.00 |
| > 20%-25% | + \$25.00 |
| > 25% (material will not be processed) | \$75 for landfill disposal <i>(Transfer, Pre-Processing & Composting Service Fees at CROWN and AIMRF and the Transfer and Composting Service Fees at DART and PRR will not apply)</i> |

The TF schedules for the remaining proposers are summarized below (Table 4). The rates provided are contingent on minimum tonnage commitments as identified in the proposal submissions.

Table 4. Tipping Fees Summary Remaining Proposals (includes all applicable fees)

| Proposer | Facility | TPD | Tip Fee (\$/ton) |
|-----------------|---|------------|---|
| Anaergia | CLARTS Organics Processing Facility | 300 | \$123 |
| Enviro-Pac | Enviro-Pac Newhall | 1,500 | \$83 |
| StormFisher | Republic Falcon Transfer Station | 400 | \$189 |
| TNRE | Kern OREF and Imperial OREF | 1,800 | \$88.10 *not including transportation |
| CR&R | Yuma County Landfill and Compost Facility | 400 | \$271 |

Proposer Evaluations

All eight (8) proposals received in response to the RFP were reviewed for completeness. LASAN's Centralized Contracts Unit (CCU) found proposals from WM, Recology, and Athens compliant with the Business Inclusion Program (BIP) requirements and deemed to be responsive.

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The Evaluation Team reviewed each proposal and scored each using the following criteria and point distribution:

- Qualifications and Experience - 10 points
- Workplace Safety Requirements - 10 points
- Technical Requirements - 30 points
- Financial Requirements - 10 points
- Proposed Service Fee - 30 points
- Revenue Sharing - 10 points

The evaluation team also interviewed all proposers with a general format of a presentation followed by a question and answer session. During interviews, each proposer had been provided an opportunity to submit any new or missed supportive information for their proposal.

Table 5 shows how the evaluation team scored and ranked each proposer based on the evaluation of their proposals, interviews, and virtual site visits.

Table 5. Scores and Ranks of the Proposals

| Rank | Proposer | Score |
|------|---|-------|
| 1 | Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management | 98.0 |
| 2 | Recology Blossom Valley Organics - South | 93.9 |
| 3 | Arakelian Enterprises, Inc. dba. Athens Services | 93.8 |
| 4 | Anaergia | 91.6 |
| 5 | Enviro-Pac | 75.2 |
| 6 | StormFisher | 74.0 |
| 7 | True North Renewable Energy | 67.4 |
| 8 | CR&R | 42.6 |

Upon completion of the interviews and site visits where applicable, the committee decided to recommend awarding contracts to WM, Recology, and Athens.

RFP Evaluation Discussion

WM was ranked first with a score of 98.0 points. As a whole, their proposal was found to satisfy the needs of the City. The City has had multiple contracts with WM for green waste services dating back to 1995.

The current contract with WM for green waste services has been in effect since May 9, 2016, with processing at BETS/SVRP and also transfer services through their WTR facility for the downtown metro area. WM has also provided commercial waste services through the recycLA program since 2017. WM completely responded to each section of the RFP, including qualifications and experience in organic waste facility operations, workplace safety, and financial standing. WM personnel, management, and administration have been responsive to the City's needs. BETS/SVRP is located in the San Fernando Valley and the WTR is located near downtown, providing the ability to send route trucks directly to both facilities.

Recology was ranked second with a score of 93.9 points. As a whole, their proposal was found to satisfy the needs of the City. The City has worked with Recology through a Letter of Agreement since March 1, 2020, for organic waste composting services at its RBVOS facility. Through the Letter of Agreement, Recology processed commingled organics from the City's "Curb Your Food Waste LA" pilot program. Recology completely responded to each section of the RFP, including qualifications and experience in organic waste facility operations, workplace safety, and financial standing. Recology personnel, management, and administration have been responsive to the City's needs. Although RBVOS is located approximately 100 miles from CLARTS, their facility is one of the largest in the region with the capacity to accept large quantities of organics generated in the City.

Athens was ranked third with a score of 93.8 points. As a whole, their proposal was found to satisfy the needs of the City. The City has worked with Athens on the blue-bin recycling program for many years, and most recently worked through a Letter of Agreement starting July 1, 2022, for transfer services at its CROWN facility with final composting at RBVOS. Athens has also provided commercial waste services through the recycLA program since 2017. Through the Letter of Agreement, Athens provided transfer services for the first expansion of the residential organics program that took place in July and August of 2022. Athens completely responded to each section of the RFP, including qualifications and experience in organic waste facility operations, workplace safety, and financial standing. Athens personnel, management, and administration have been responsive to the City's needs. Athens also has multiple transfer facilities near South Los Angeles, giving additional transfer capacity and contingency.

Anaergia was ranked fourth with a score of 91.6 points. As a whole, their proposal was found to satisfy the needs of the City. Anaergia is proposing the development of an organics processing facility at CLARTS with subsequent Anaerobic Digestion (AD) of the processed organic waste at its RBF facility or at LASAN's water reclamation plants. Anaergia completely responded to each section of the RFP, including qualifications and experience in organic waste facility operations, workplace safety, and financial standing. The expansion and utilization of existing LASAN facilities is desirable for the City in managing its own waste. The Council has instructed LASAN to pursue an organics facility at CLARTS and at this time, LASAN plans further discussions with Anaergia to determine the options to develop the technology at CLARTS. LASAN will report back to the Board with the results of the discussions.

Enviro-Pac, Storm Fisher, and True North have proposed the development of new AD facilities to process organic waste to energy and other byproducts that can be beneficially used if markets are available. These technologies can play a role in producing additional renewable energy from

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the processing of organic waste. However, all three proposers do not have existing facilities that could receive and process the material by the start of the Citywide implementation of the curbside organics collection program. Additionally, the capacities needed to make the economy of scale for these facilities would require a large commitment of the City's organics tonnage, which cannot be guaranteed definitively without an existing facility.

LASAN is requesting Board authorization to utilize consultant assistance in evaluating Enviro-Pac's proposed technologies and site. Enviro-Pac has proposed to establish a processing facility at a site in close proximity to the City at a favorable rate. Enviro-Pac plans to utilize a series of technologies that may be capable of beneficially processing organic material. A local facility with favorable rates will help reduce dependency on long distance hauling and have a lower carbon footprint. Upon Board approval, LASAN will engage consultant assistance and report the findings to the Board.

Storm Fisher proposed processing of up to 400 tpd of commingled organic material at \$189 per ton. Due to the expensive price, LASAN does not recommend proceeding at this time.

True North proposed facilities up to 1,800 tpd of commingled organic material at \$88.10, not inclusive of transportation, that will be ready in FY 24-25. Due to the extended timeline and limited ability to transport material, LASAN does not recommend proceeding at this time.

CR&R was ranked eighth with a score of 42.6 points. As a whole, CR&R did not respond sufficiently to the requirements of the RFP. The proposed facility is over 200 miles away from the proposed transfer site, has the most expensive pricing of \$271 per ton, and with limited transfer capacity. Due to the cost and limited ability to transport material, LASAN does not recommend proceeding at this time.

The proposals were reviewed, evaluated, and rated based on the evaluation criteria set forth in the RFP. All eight (8) proposers were evaluated in the area of their knowledge, experience, capacity, costs, and LASAN operations.

WM, Recology, and Athens were the highest scoring proposals. As a result, WM, Recology, and Athens have been selected to provide organic waste processing services for the City with continued discussions with Anaergia to develop processing capabilities at CLARTS and further evaluation of Enviro-Pac's proposed technologies and facility.

Local Business Preference (LBP) Program

All proposers are eligible to participate in the LBP program by qualifying as a Local Business Enterprise (LBE). The City will grant eight percent (8%) of the total possible evaluation points added to the evaluation score of those proposers who are certified as an LBE firm. Those proposers who do not qualify as an LBE, but identify qualified LBE-certified subcontractors to perform work under this RFP, will receive a one percent (1%) preference, up to a maximum of five percent (5%) of the total possible evaluation points added to their evaluation score for every ten percent (10%) of the cost of the proposed work to be performed by the certified LBE subcontractors.

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Pursuant to the LBP established by Ordinance No. 181910, WM, Athens, and Enviro-Pac are certified as LBE firms and therefore were awarded eight (8) additional points. Recology, Anaergia, StormFisher, True North Renewable, and CR&R are not certified as LBE firms, and therefore, were not awarded any additional points.

Proposed Term of Agreement and Estimated Costs

The proposed term of the contract with WM will be for five (5) years with two (2) five-year renewal options. In addition to the two (2) five-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-year term, or at the end of any subsequent five-year term, by providing the Contractor written notice at least 90 calendar days prior to the expiration of the agreement.

The proposed term of the contract with Recology will be for five (5) years with two (2) five-year renewal options. In addition to the two (2) five-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-year term, or at the end of any subsequent five-year term, by providing the Contractor written notice at least 90 calendar days prior to the expiration of the agreement.

The proposed term of the contract with Athens will be for five (5) years with two (2) five-year renewal options. In addition to the two (2) five-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-year term, or at the end of any subsequent five-year term, upon mutual agreement with the Contractor prior to the expiration of the agreement.

Due to the nature of the contract, the cost to the contractor may vary. There are no contractual cost ceilings as these are tip-fee based contracts.

The estimated costs for the first five-year contracts are: WM is \$157,705,931, Recology is \$54,026,752, and Athens is \$147,414,572, for a total estimated cost of \$359,147,254.

The estimated costs for potential fifteen-year contracts are: WM is \$734,995,195, Recology is \$251,793,974, and Athens is \$687,031,879, for a total estimated cost of \$1,673,821,048.

Business Inclusion Program (BIP)

Proposals from WM, Recology, and Athens were sent to the LASAN's Centralized Contracting Unit (CCU) for evaluation of the BIP outreach requirement. CCU deemed all three proposers responsive to the City's BIP outreach requirement. This finding was audited and concurred by the Bureau of Contract Administration's Office of Contract Compliance.

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WM initially pledged participation levels of 3.20% MBE, 0% WBE, 0% SBE, 0% EBE, 0% DVBE, and 27.60% OBE.

Recology had no subcontractor participation in its Schedule A as all aspects of its work are done in-house from processing to marketing of finished product.

Athens initially pledged participation levels of 0.23% MBE, 0.39% WBE, 0.39% SBE, 0.39% EBE, 0% DVBE, and 22.11% OBE (Table 6).

Table 6. Original Pledged Participation Levels

| Proposer | Original Participation Levels | | | | | |
|----------|-------------------------------|-------|-------|-------|------|--------|
| | MBE | WBE | SBE | EBE | DVBE | OBE |
| WM | 3.20% | 0% | 0% | 0% | 0% | 27.60% |
| Recology | 0% | 0% | 0% | 0% | 0% | 0% |
| Athens | 0.23% | 0.39% | 0.39% | 0.39% | 0% | 22.11% |

As a result of LASAN's contract negotiations with WM, Recology, and Athens, both WM and Athens had to revise their original pledged participation levels to reflect the changes in the amount of tonnage they were allocated by LASAN. This resulted in minor adjustments to their original pledged participation levels as shown in Table 7.

Table 7. Adjusted Pledged Participation Levels

| Proposer | Adjusted Participation Levels | | | | | |
|----------|-------------------------------|-------|-------|-------|------|--------|
| | MBE | WBE | SBE | EBE | DVBE | OBE |
| WM | 4.31% | 0% | 0% | 0% | 0% | 36.86% |
| Recology | 0% | 0% | 0% | 0% | 0% | 0% |
| Athens | 0.02% | 0.07% | 0.07% | 0.07% | 0% | 22.00% |

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

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WM's revised pledged participation levels are as follows:

Table 8. WM Sub-Contractor Pledged Participation Levels for Contract Year (CY) 1-5

| Waste Management | | | | |
|--|---------------------------------|-------------------------|-----------------------------|---------------------------|
| Subcontractor | MBE/WBE/SBE/EBE/DVBE/OBE | Gender/Ethnicity | % of Contract Amount | Subcontract Amount |
| Kochergen Farms | OBE | - | 4.88% | \$7,700,000 |
| Synagro | OBE | - | 8.24% | \$13,000,000 |
| Recology | OBE | - | 8.18% | \$12,900,000 |
| Ecology Auto Parts | OBE | - | 11.79% | \$18,600,000 |
| Santiago Hernandez Trucking | OBE | - | 3.49% | \$5,500,000 |
| J.I. Gandara Transport, Inc. | MBE | M/HA | 4.31% | \$6,800,000 |
| Ramcast | OBE | - | 0.11% | \$175,000 |
| Quinn Company | OBE | - | 0.16% | \$250,000 |
| Total MBE Participation | | | 4.31% | \$6,800,000 |
| Total WBE Participation | | | 0% | \$0 |
| Total SBE Participation | | | 0% | \$0 |
| Total EBE Participation | | | 0% | \$0 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 36.86% | \$58,125,000 |
| Base Contract Amount (Estimated Amount CY 1-5) | | | | \$157,705,931 |

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Athens' revised pledged participation levels are as follows:

Table 9. Athens Sub-Contractor Pledged Participation Levels for CY 1-5

| Athens | | | | |
|--|---------------------------------|-------------------------|-----------------------------|---------------------------|
| Subcontractor | MBE/WBE/SBE/EBE/DVBE/OBE | Gender/Ethnicity | % of Contract Amount | Subcontract Amount |
| Platinum Rigs | OBE | | 22.00% | \$32,431,078 |
| Carl's Electric, Inc. | MBE | M/APA | 0.02% | \$30,000 |
| Go2Zero Strategies, LLC | WBE/SBE/EBE | F/C | 0.07% | \$104,000 |
| Total MBE Participation | | | 0.02% | \$30,000 |
| Total WBE Participation | | | 0.07% | \$104,000 |
| Total SBE Participation | | | 0.07% | \$104,000 |
| Total EBE Participation | | | 0.07% | \$104,000 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 22.00% | \$32,431,078 |
| Base Contract Amount (Estimated Amount CY 1-5) | | | | \$147,414,572 |

Notification of Intent to Contract

The Notification of Intent to Contract was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on March 28, 2019.

Charter Section 1022

The Office of the CAO released the Charter 1022 determination on October 24, 2019, and found that the proposed processing services can be performed more feasibly and economically by a contractor rather than by City employees.

Approved as to Form

The Office of the City Attorney has approved the proposed contracts as to Form.

Other City Policies and Requirements

WM, Recology, and Athens shall comply with all City requirements, including:

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

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 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.

Headquarters Address and Workforce Information

The headquarters of WM is located at 9081 Tujunga Ave., Sun Valley, CA 91352. WM has a total staff of 64 employees. 27 of which employees reside within the City.

The headquarters of Recology is located at 6061 N. Wheeler Ridge Rd., Lamont, CA 93241. Recology has a total of 37 employees and none resides within the City.

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The headquarters of Athens is located at 14048 Valley Blvd., City of Industry, CA 91746. Athens has a total staff of 1,794 employees. 446 of which employees reside within the City.

Contract Administration

LASAN's Solid Resources Support Services Division will be responsible for the administration and management of these contracts.

PROGRAM REVIEW BY DIRECTOR (PRD) APPROVAL

This contract was approved by PRD on April 24, 2019 in the amount of \$480,000,000.

STATUS OF FINANCING

There is no impact to the General Fund. There is no cost ceiling for this contract as it is tip-fee based. Current year funding is available in the Solid Waste Resources Revenue Fund No. 508, Appropriation Account No. 50WX82, Sanitation Expense and Equipment and the Integrated Solid Waste Management Fund No. 556, Appropriation Account No. 50SMOR, Organics Recycle Program. Funding is available per the table below:

Table 10. Estimated Contract Costs

| Budget Year | Dept. No. | Fund | Appropriation Account No. | Amount |
|--------------------|------------------|-------------|----------------------------------|----------------------|
| 2019-20 | 50 | 556 | 50SMOR | \$5,000,000 |
| 2022-23 | 50 | 508 | 50WX82 | \$21,261,271 |
| TBD | 50 | TBD | TBD | \$453,738,729 |
| Total | | | | \$480,000,000 |

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 or designee.

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.

This Contract contains a "Financial Liability Clause" which states that the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract.

Notwithstanding any other provision of these Contracts, 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 these Contracts.

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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, equipment, or incur any expense in excess of the appropriation, and amount(s) until the City appropriates additional funds for this Contract.

FUTURE ACTIONS

Upon authorization by the Council and the Mayor, the Board will execute the contracts with WM, Recology, and Athens.

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Respectfully submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



Lynda McGlinchey (Oct 24, 2022 12:17 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:



EVA P. SUNG, Chief Management Analyst
Bureau of Sanitation

Date: _____

APPROVED AS TO FUNDS:



MIGUEL DE LA PEÑA, Director
Office of Accounting
556/50/50SMOR \$5,000,000
508/50/50WX82 \$21,261,271
Date: 10/24/2022

Prepared by:
James Roska, Solid Resources Support Services Division
(213) 485-2988

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
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ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles

OCT 01 2021

Executive
Board

CD: ALL

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS AND NEGOTIATE CONTRACTS FOR RECEIPT, TRANSFER, PROCESSING, AND BENEFICIAL REUSE OF ORGANIC WASTE FROM THE CITY OF LOS ANGELES (W.O. S02MTIPG)

RECOMMENDATIONS

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

1. Distribute and advertise the transmitted Request for Proposals (RFP) for the receipt, transfer, processing, and beneficial reuse of organic waste from the City of Los Angeles (City).
2. Evaluate the proposals, select, and interview the most qualified proposer(s) based on established rating criteria.
3. Negotiate a contract(s) with the most qualified Proposer(s).
4. Return to the Board of Public Works (Board) for authority to award and execute the contract(s) subject to Mayor and City Council approval prior to contract execution.

TRANSMITTAL

1. Copy of the RFP for the Receipt, Transfer, Processing, and Beneficial Reuse of Organic Waste from the City.

DISCUSSION

Project Background

LASAN is responsible for curbside collection of residential solid waste, including refuse (black bin), recyclables (blue bin), yard trimmings (green bin), and horse manure (brown bin), from more than 750,000 single family residences and small apartment complexes (four units or less).

LASAN operates a fleet of more than 770 heavy-duty vehicles for the collection of municipal solid waste from six collection districts or wastesheds: East Valley (EV), West Valley (WV), West Los Angeles (WLA), North Central (NC), South Los Angeles (SLA), and Harbor (HAR) (Fig 1).

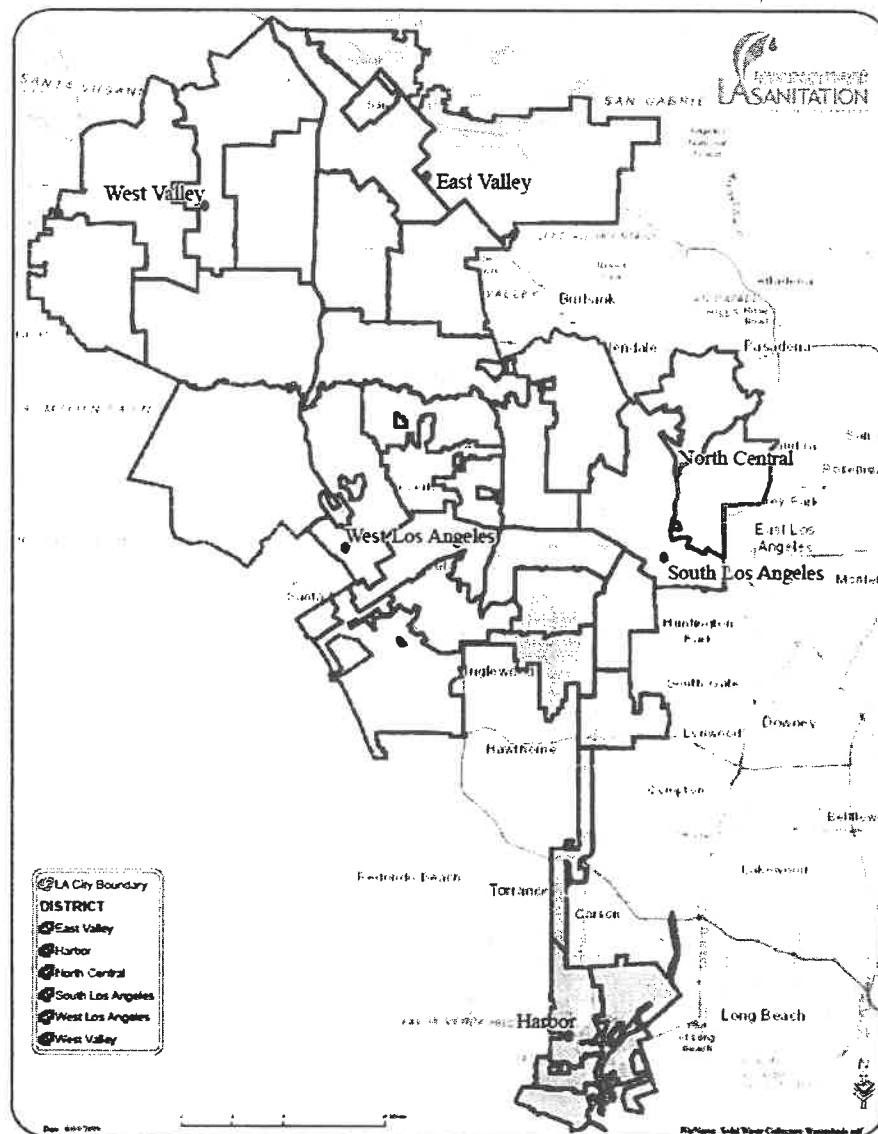


Fig 1. City of Los Angeles Solid Resources Collection Wastesheds and District Yards

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On a daily average, LASAN collects approximately 1,762 tons of green bin and brown bin materials. Currently, approximately eighty-one percent (81%) of the collected organic waste is processed by contracted facilities: USA Waste of California dba Waste Management (WM) (C-127499), Rainbow Environmental Services (RES) (C-128254)), and CR&R (C-128051). The remaining nineteen percent (19%) is processed by the City's Lopez Canyon Environmental Center (LCEC) in the Valley, and the Harbor Mulching Facility (HMF) in the Harbor.

Brown bin materials are mainly processed at LCEC. With regards to hauling green bin materials, the WV and EV wastesheds direct haul to WM's Sun Valley Recycling Park (SVRP) and LCEC for mulching; the WLA and NC wastesheds either direct haul to SVRP, or utilize WM's Transfer and Recycling Center (WTR) (with subsequent transfer of the material to SVRP) and/or the City's Central Los Angeles Recycling and Transfer Station (CLARTS), and WLA also directly hauls to HMF; the SLA utilizes CLARTS and WTR; and HAR utilizes the City's HMF and the Republic Falcon Transfer Station. From CLARTS, the material is further transported to RES in Huntington Beach for mulching, or to CR&R's Anaerobic Digester facility in Perris for anaerobic digestion.

Quarantine zones established by the California Department of Food and Agriculture and other seasonal or operational changes can affect the average daily tonnage provided to contracted facilities throughout the year.

Food Waste Diversion from Landfills

On September 19, 2016, Senate Bill 1383 Short Lived Climate Pollutants was signed into law. SB 1383 was established with a goal of reducing the amount of organic waste disposed state-wide by 50% by the year 2020, and by 75% by the year 2025, when compared to a 2014 baseline. SB 1383 mandates the collection of organic waste, including but not limited to: green material, food material, food-soiled paper products, wood material, horse manure, and biosolids from all generators throughout the State.

Furthermore, the 2019 Mayor's Sustainable City pLAn, "LA's Green New Deal," sets ambitious goals to achieve 90% landfill diversion by 2025, provide city-wide residential and City facilities food scrap collection programs by 2021, and eliminate organic waste going into landfills by 2028.

In alignment with these goals, LASAN recently launched food waste collection programs, including working with the Los Angeles World Airports, City Hall's Homeboy Diner, LA Mall restaurants, and a residential food waste prevention and food waste collection pilot project. These programs collect an additional daily average of approximately 50 tons of commingled food waste and green bin materials that are processed by CR&R's anaerobic digestion facility. LASAN plans to expand these food waste collection programs to meet State and City goals.

Current Contracts

LASAN's current contracts with WM and RES were originally executed for 5 years, with two five-year renewal options at the City's discretion. However, these contracted facilities are currently not permitted to process food waste, and/or have difficulty processing food waste, food-soiled paper products, and other specific organic waste materials.

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LASAN's contract with CR&R was for two years with a one-year renewal option. LASAN exercised the renewal option which expired in August 2019. For the continuation of the food waste collection programs mentioned above, LASAN has continued services with CR&R through a subsequent Letter of Agreement and Authority for Expenditure.

While LASAN is working on placing a food waste processing facility at CLARTS by 2025 and upgrading the City's LCEC and HMF to process a wider variety of organics, these facilities will not be able to process the entire amount collected by LASAN. Therefore, in order to meet the goals established in SB 1383 and in the Mayor's Sustainable City pLAn, LASAN seeks the distribution of a new RFP to establish contracts with vendors that have the capacity and ability to process a wide variety of organic waste (e.g., green material, food material, food-soiled paper products, wood material, and horse manure). These processing services are crucial to managing organic waste generated from the City's residential curbside collection program and other City Solid Waste Collection programs. The ability of the City to contract with more than one processing facility has served the City well, especially in the event of an emergency or adverse conditions at one of the primary processing sites.

Request for Proposals (RFP)

This RFP is a solicitation for proposals from qualified and experienced contractors with a high degree of operational performance, technical abilities, and cost effectiveness to provide all-inclusive services to receive, accept, transfer, process, and beneficially reuse approximately 3,000 tons per day of organic waste collected from the City's Curbside Collection Program, other City solid waste programs, and private waste. The listed tonnages are subject to change depending on operational and economic conditions, as well as other zero waste programs.

A proposal may be for a combination of services and for the complete or a partial amount of the organic waste. A proposal may include options for the processing of green material and food material either collected separately or commingled, though the curbside program does expect to expand to full commingled collection over time. Source separated food material may continue to be available as a material type from other City organic waste programs. Additionally, facilities should indicate if they can accept food soiled paper products and/or biodegradable/compostable products in their proposed process. A proposal should indicate which of the following material types they are able to accept and what capacity is available for each:

- Green Material only
- Food Material only
- Green Material and Food Material commingled and if accepted:
 - Food-Soiled Paper Products
 - Biodegradable/Compostable Products
- Horse Manure

Services may include but are not limited to receiving the material at a facility for direct processing, receiving the material at a transfer station for transloading and hauling to a processing facility, and receiving the material at a facility for further processing to recover resources and/or beneficial reusable products. The Proposer shall also provide contingent services in case of adverse conditions. Proposed facilities must be fully permitted to accept such types of waste, and

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proposer(s) shall operate facilities and provide all services according to all applicable federal, state, and local laws.

The processing of organic waste may include, but is not limited to, mechanical processing such as chipping, grinding, and mulching; biological processing such as composting, co-composting, anaerobic digestion/co-digestion, and fermentation; thermal processing such as pyrolysis or gasification; or otherwise processing the conversion of organic waste into beneficial products and/or renewable energy. Additionally, processing shall remove contaminants from the organic waste and include the transport, handle, and disposal of the contaminants at a permitted solid waste disposal facility.

Facilities utilized for these services shall also comply with the City's Facilities Certification Plan as approved by the Board.

Proposed Term of Contract

The proposed contract term for each contract will be five (5) years, with two (2) five (5) year renewal options to be exercised at the City's sole discretion.

Rationale for Using a RFP

The RFP process is being employed to solicit available services for the greatest benefit to the City at the most competitive rate. A review committee consisting of City staff will evaluate all proposals to determine which proposal or combination of proposals (according to the evaluation criteria identified in Table 1) will bring the greatest benefit 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 committee's final report, LASAN will submit a report to the Board containing a recommendation to award and execute contract(s) with the selected proposer(s). Contract(s) will then be submitted to the Board, the Mayor, and the City Council for approval.

The criteria for the selection of the respondents are outlined in the RFP and are summarized in Table 1 below.

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Table 1. Evaluation Criteria for Proposals

| Evaluation Criteria | | Points |
|-----------------------------|--|--------------|
| 1 | Qualifications and Experience <ul style="list-style-type: none"> • At least 3 years operational experience • Statement of Qualifications | 0-10 |
| 2 | Workplace Safety Requirements <ul style="list-style-type: none"> • Statement of Workplace Policies and Procedures • Submit OSHA citations and Log of Work Related Injuries and Illnesses for the past 5 years | 0-10 |
| 3 | Technical Requirements <ul style="list-style-type: none"> • Facility location and proximity to City and wastesheds • Capability, tonnage capacity, and contingency plans • Adequate facilities, supplies, equipment, and staffing • Sound engineering practices and operations • Permit and Regulatory compliance | 0-30 |
| 4 | Financial Requirements <ul style="list-style-type: none"> • Financial Statements • Performance Bond and Insurance requirements | 0-10 |
| 5 | Proposed Service Fee <ul style="list-style-type: none"> • Cost per ton (\$/ton) | 0-30 |
| 6 | Revenue Sharing (\$/ton) | 0-10 |
| TOTAL MAXIMUM POINTS | | 0-100 |

World Wide Web

The RFP will be posted on the City's World Wide Web site in compliance with City Council Motion 95-1060S2. The RFP, addenda, and all other related documents will be available for download on www.labavn.org.

Notification of Intent to Contract

The Notification of Intent to Contract was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on March 28, 2019.

Charter Section 1022

The Office of the CAO released the Charter 1022 determination on October 24, 2019 and found that the proposed processing services can be performed more feasibly and economically by a contractor rather than by City employees.

Business Inclusion Program (BIP)

In compliance with the Mayor's Executive Directive No. 14, issued on January 12, 2011, it is the policy of the City of Los Angeles to provide 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) subconsultants an equal opportunity to participate in the performance of City contracts. This RFP is subject to the BIP Outreach Requirements included in Attachment D of the RFP.

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Proposers submitting a proposal in response to this RFP are required to perform a BIP Outreach using the City's Business Assistance Virtual Network (LABAVN) system at www.labavn.org. Failure to comply with the City's BIP Outreach requirements will render the RFP response non-responsive.

For this RFP, LASAN has set anticipated participation levels of 10 percent MBE, 2 percent WBE, 2 percent SBE, 2 percent EBE, and 2 percent DVBE.

In addition to the BIP Outreach, Proposers are required to complete and submit the MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form (Schedule A) with their 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 to the City.

Compliance with Board RFP Policy

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

Other City Requirements

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

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure 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
- Disclosure of Border Wall Contracting Ordinance

Attachments and forms pertaining to these requirements are included in the RFP, available on www.labavn.org.

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Local Business Preference Program (LBPP)

All Proposers are eligible to participate in the LBPP by qualifying as a Local Business Enterprise (LBE). The City shall add eight percent (8%) of the total possible evaluation points (100 points) to their evaluation score for those Proposers who are certified as an LBE firm. Those Proposers who do not qualify as an LBE, but identify qualified LBE-certified subcontractors to perform work under this RFP, will receive a one percent (1%) preference, up to a maximum of five percent (5%) of the total possible evaluation points added to their evaluation score for every ten percent (10%) of the cost of the proposed work to be performed by certified LBE subcontractors.

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 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 this contract will rest with LASAN's Solid Resources Support Services Division (SRSSD).

PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

This RFP was approved by PRD on April 24, 2019.

STATUS OF FINANCING

There is no impact to the General Fund. No funding is required at this time. The estimated cost of the proposed contract is \$480,000,000 over the span of five-years. Funding sources for this project may include but are not limited to the Solid Waste Resources Revenue Fund No. 508. Specific funding information will be provided at the time of project award.

FUTURE ACTIONS

Upon authorization by the Board, the RFP and attachments will be posted on www.labavn.org.

A review committee will evaluate the proposals. The most qualified Proposer(s) who submitted the best proposal(s) in response to the RFP will be interviewed, ranked, and selected. LASAN will then negotiate a personal services contract(s) with the highest rated firm(s) to provide the required services. Subsequent to the negotiation of the contract(s), LASAN will request the Board for authority to award and execute a contract(s) with the selected Proposer(s).

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JOINT BOARD REPORT NO. 3
OCTOBER 1, 2021

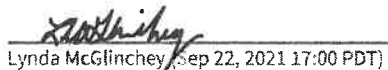
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Respectfully Submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

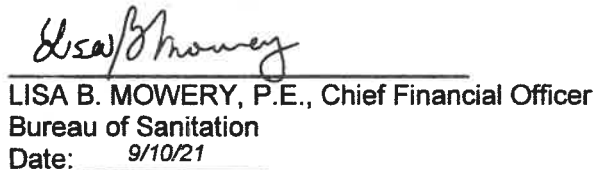

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TRANSMITTAL 2

CONTRACT NO. C-XXXXXX

SERVICE AGREEMENT
BETWEEN

THE CITY OF LOS ANGELES

AND

ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES

FOR
THE RECEIPT, TRANSPORT, PROCESSING, AND BENEFICIAL REUSE OF
ORGANIC WASTE FROM THE CITY OF LOS ANGELES'
RESIDENTIAL CURBSIDE COLLECTION PROGRAM



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

Barbara Romero, Director and General Manager
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Robert J. Potter, Division Manager

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**AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND ARAKELIAN
ENTERPRISES, INC. DBA ATHENS SERVICES FOR THE RECEIPT, TRANSPORT,
PROCESSING, AND BENEFICIAL REUSE OF ORGANIC WASTE FROM THE CITY
OF LOS ANGELES' RESIDENTIAL CURBSIDE COLLECTION PROGRAM**

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, the CITY has a need for contracting services for the receipt, transport, processing, and beneficial reuse of ORGANIC WASTE from the CITY'S residential curbside collection program; and

WHEREAS, the Mayor's Sustainable City pLAn sets a goal for LA Sanitation and Environment (LASAN) to divert 90% of all solid waste from the landfills by the year 2025 through source reduction, reuse, and recycling; and

WHEREAS, the Mayor's Sustainable City pLAn sets goals for citywide residential food scraps collection by 2021 and 100% diversion of organic waste from landfills by 2028; and

WHEREAS, Senate Bill (SB) 1383 calls for a 50% reduction in statewide organic waste disposal compared to 2014 levels by 2020 and 75% reduction by 2025; and

WHEREAS, LASAN collects residential organics, recyclables, refuse, and horse manure from approximately 750,000 households in its curbside collection program; and

WHEREAS, LASAN collected approximately 1,762 tons per day of yard trimmings in Fiscal Year 2020-21; and

WHEREAS, recent waste characterizations indicate that approximately 21% of residential landfilled waste is food waste, and over 50% is organic material; and

WHEREAS, it is estimated that 3,000 tons per day of organic material are generated from the residential curbside collection program; and

WHEREAS, LASAN has a need for services to transfer, transport, and process residential organic waste (e.g., food waste, yard trimmings, and food-soiled paper) to meet the Mayor's Sustainable City pLAn and SB 1383 goals; and

WHEREAS, PROCESSING services are deemed to be vital to meet the CITY's commitment to divert ORGANIC WASTE from landfills; and

WHEREAS, on October 1, 2021, the Board of Public Works (BOARD) authorized the CITY to distribute a Request for Proposals (RFP) for the receipt, transport, processing, and beneficial reuse of organic waste collected from the CITY'S residential curbside collection program; and

WHEREAS, on December 22, 2021, the CITY received eight (8) proposals in response to the RFP; and

WHEREAS, Arakelian Enterprises, Inc. dba Athens Services (CONTRACTOR), was deemed among the most qualified proposers having the experience and expertise to perform the services as set forth in the RFP; and

WHEREAS, the CONTRACTOR meets the Federal, State, and local requirements to perform the scope of services required; and

WHEREAS, the services to be provided by the CONTRACTOR are of an expert and technical nature; 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, and/or section headings appearing herein have been inserted for convenience and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, intent or construction of any of the terms or provisions hereof. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or the CONTRACTOR. The singular shall include the plural; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

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:

AGREEMENT/CONTRACT

This contractual agreement between the CITY and the selected CONTRACTOR.

APPLICABLE LAW

All statutes, rules, regulations, permits, requirements or orders of the United States, State of California, City of Los Angeles, County of Los Angeles, and all other federal, state, regional, county and local government authorities and agencies.

| | |
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| COMPOSTABLE PRODUCTS | Certified compostable products (e.g., plates, bowls, and cups) that break down in an industrial composting process. Biodegradable products will be treated as CONTAMINANTS unless mutually agreed upon between the CITY and the CONTRACTOR. |
| BOARD | The Board of Public Works of the City of Los Angeles. |
| CALENDAR DAY | Each day beginning at 12:01 AM and ending twenty-four (24) hours thereafter at 12:00 AM midnight. |
| CERTIFIED WEIGHT TICKETS | Weight tickets issued by the CONTRACTOR from a weigh station using certified scales indicating the gross weight and tare weight of the vehicle or container, and the net weight of the material. |
| 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, 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 manners concerning this document. |
| CITY CAPACITY | The amount of CITY Organic Waste (specified in tons per day) that is to be received, transported, and accepted at CONTRACTOR'S FACILITIES. |
| CITY PROJECT MANAGER | A representative of the CITY or its assigned staff to monitor the AGREEMENT/CONTRACT. |
| COLLECTION HOLIDAYS | New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas, and other holidays officially observed by the CITY, and on which holidays the CITY does not collect CITY solid waste. |
| CONTAMINANTS | Materials that are not ORGANIC WASTE as defined in the CONTRACT. |
| CONTRACTOR'S FACILITIES | Facilities owned, operated, and/or contracted by the CONTRACTOR and having the meaning specified in the Facility Utilization Plan in Section 4.4.1. |
| CONTRACTOR | Arakelian Enterprises, Inc. dba Athens Services. |

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| CONTRACTOR PROJECT MANAGER | The CONTRACTOR'S designated representative for all issues related to this CONTRACT. |
| DIRECT COST | 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. |
| DIRECT TRANSPORT | Material collected by the CITY and directly hauled to the CONTRACTOR'S FACILITY in the same vehicle that collected the material. |
| EXECUTION DATE | The date the CONTRACT takes effect and having the meaning in the last paragraph specified in Article 7. |
| FOOD MATERIAL | Material that was acquired for animal or human consumption and source-separated from the municipal solid waste stream. Food material includes, but is not limited to, fruits, vegetables, dairy, meats and fish (including bones), coffee grinds, and tea bags. Food material also includes FOOD-SOILED PAPER PRODUCTS. |
| FOOD-SOILED PAPER PRODUCTS | Paper that is neither coated nor lined, and that has come in contact with food or liquid, including, but not limited to, napkins, newspaper, paper plates, paper towels, paper egg cartons, paper bags, pizza boxes, and milk cartons. |
| GREEN MATERIAL | Plant material that has been source-separated from the municipal solid waste stream, and includes, but is not limited to, yard trimmings (grass, weeds, leaves, and tree branches), and clean untreated wood. |
| GROSS TON | Load weight consisting of material and contaminants. |

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| GROSS WEIGHT | The weight of the collection vehicle or other container including any loaded materials. |
| HORSE MANURE | A combination of horse feces, bedding material such as straw, sawdust, and wood shavings, and spilled feed. |
| HOUSEHOLD HAZARDOUS WASTE (HHW) | Any of the following: (a) any substances defined, regulated or listed (directly or by reference) as “hazardous substances”, “hazardous materials”, hazardous wastes”, “acutely hazardous waste”, “extremely hazardous waste”, “toxic waste”, “pollutant”, or “toxic substances” or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) the California Health and Safety Code §§25110.02, 25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401 et seq.; and (vii) California 18 Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other special waste, hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other APPLICABLE LAW, including, without limitation friable asbestos, polychlorinated biphenyl's ("PCBs") petroleum, natural gas and synthetic fuel products, and by-products. |
| LASAN | The LA Sanitation & Environment of the Department of Public Works of the City of Los Angeles. |
| MARKETING | The promotion and sale of finished products. |
| MBE/WBE/SBE/ EBE/DVBE/OBE | Minority / Women / Small / Emerging / Disabled Veteran / Other Business Enterprises. |
| MONITORING | The act of observing, documenting, and reporting on all project-related activities. |
| NET WEIGHT | The difference between GROSS WEIGHT and TARE WEIGHT. |

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| NON-CITY WASTE | Waste or materials not collected by the CITY or in CITY designated vehicles. |
| OPERATING DAY | Any calendar day for which the CONTRACTOR is obligated, pursuant to the AGREEMENT/CONTRACT to open the facility to receive ORGANIC WASTE. |
| ORGANIC WASTE | Post-source separated waste, including GREEN MATERIAL, FOOD MATERIAL, FOOD-SOILED PAPER PRODUCTS, and HORSE MANURE, collected from the residential curbside collection program and any other organic waste collection programs for processing and beneficial reuse. For HORSE MANURE to be processed as ORGANIC WASTE, HORSE MANURE cannot exceed more than five (5%) by volume of each outbound ORGANIC WASTE load. |
| PRIVATE WASTE | Waste or materials other than CITY collected waste. |
| PROCESSING | The conversion of ORGANIC WASTE into a product by means of mechanical processing (e.g., chipping, screening, grinding, sizing, and mulching); biological processing (e.g., composting, co-composting, anaerobic digestion/co-digestion, and fermentation); and thermal processing (e.g., pyrolysis and gasification). |
| REFUSE DISPOSAL FACILITY | Having the meaning specified in the Facility Utilization Plan in Section 4.4.1. |
| REUSE FACILITIES | Facilities designated by the CONTRACTOR, or upon CONTRACTOR request otherwise approved by the CITY, to produce or accept finished end products from processed ORGANIC WASTE. |
| SUBCONTRACTOR | An individual or company having an agreement with CONTRACTOR to provide services, equipment, or materials to CONTRACTOR in furtherance of the CONTRACT. For the avoidance of doubt, SUBCONTRACTORS shall not include subhaulers or third party operators of facilities specified in Section 4.4.1. |
| TARE WEIGHT | The weight of an empty collection vehicle or container. |
| TON | Equal to 2,000 pounds. |
| TPD | Tons per day (on a five (5) day per week basis). |

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| TRANSFER | Transloading of ORGANIC WASTE from CITY collection vehicles into larger trucks at a transfer station for transport to the CONTRACTOR'S facility. |
| TRANSFER, PROCESSING and BENEFICIAL(LY) REUSE | Services for ORGANIC WASTE, including but not limited to receiving material at a transfer station; at a processing facility for resource recovery and/or beneficial reusable products; or a combination thereof. |
| UNPERMITTED WASTE | Material that (a) is prohibited from being received, managed or disposed of at a transfer, storage or disposal facility used hereunder by APPLICABLE LAW; (b) is or contains regulated HAZARDOUS WASTE; (c) is or contains any special waste, infectious waste, radioactive, volatile, corrosive, flammable, explosive, biomedical, biohazardous material, regulated medical or toxic substances, as defined pursuant to or listed or regulated under APPLICABLE LAW; (d) tires, automobiles, boats, boat trailers, or any parts thereof, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission; or (e) contains information protected by federal, state or local privacy or data security laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"). |
| WEIGH STATION | A weigh station maintained in compliance with the weight and measure laws in the California Business and Professions Code. |

ARTICLE 3 – PROJECT DESCRIPTION

LASAN is responsible for the collection of residential municipal solid waste from approximately 750,000 single family residences and small apartment complexes of four (4) units or less. On a daily average, LASAN collects 800 tons of recyclable material, 1,762 tons of yard trimming material, and 3,600 tons of refuse material.

LASAN will utilize the CONTRACTOR'S FACILITIES. The following are the project descriptions:

- 3.1 The delivery of ORGANIC WASTE to the CONTRACTOR'S FACILITIES from the CITY'S residential curbside collection program.
- 3.2 The receipt and acceptance of ORGANIC WASTE by the CONTRACTOR at the CONTRACTOR'S FACILITIES per Article 4 Section 4.4.4.

- 3.3 The CONTRACTOR'S PROCESSING of the delivered ORGANIC WASTE into beneficial reuse products by means of mechanical processes including, but not limited to chipping, screening, cleaning, grinding, sizing, and mulching; and biological processes including, but not limited to anaerobic digestion and composting.
- 3.4 The CONTRACTOR'S TRANSFER of the delivered ORGANIC WASTE to facilities designated by the CITY for PROCESSING into beneficial products as described above.
- 3.5 The CONTRACTOR'S MARKETING of beneficial products derived from the CITY'S delivered ORGANIC WASTE.
- 3.6 The transportation of processed materials from the CONTRACTOR'S FACILITIES to REUSE FACILITIES.

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

- 4.1 The CONTRACTOR shall perform the services described in Article 4.4. The CONTRACTOR shall perform such work with a degree of skill and diligence normally employed by contractors performing the same or similar services.
- 4.2 The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.
- 4.3 Maintenance of Records

The CONTRACTOR shall maintain all records, including records of financial transactions, 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 three (3) 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 by authorized CITY personnel or the CITY'S representatives at any time in accordance with Generally Accepted Audit Standards (GAAS). The 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.

4.4 Scope of Services

Services shall include, but not be limited to, the following:

4.4.1 Facility Utilization Plan

The CITY will deliver ORGANIC WASTE to the primary transfer and pre-processing facilities listed in the Facility Utilization Plan (FUP) in this section. The FUP also includes secondary or contingent facilities to be utilized in the event the primary facilities are not available to receive materials.

All the CONTRACTOR'S FACILITIES used for the receipt, transfer, and processing of ORGANIC WASTE and disposal of residual waste shall meet the CITY'S Facility Certification Program requirements and maintain the certification in good standing while they are used under this CONTRACT. Residual waste shall be delivered to certified facilities for disposal.

If the CONTRACTOR elects to use a facility that is different from the facilities listed in the FUP, the CONTRACTOR shall request a written approval from the CITY PROJECT MANAGER prior to its use. 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 TRANSFER/PROCESSING facilities must be of sufficient capacity and capable of providing the throughput required to accommodate CITY deliveries without disruption, delay, nuisance, or violation of APPLICABLE LAWS.

| ATHENS FACILITY UTILIZATION PLAN CONTRACTOR'S FACILITIES | | | | | |
|---|--|------------|--|------------------|----------------------|
| Facility Name | Facility Address | SWIS No. | Service Description | Capacity | Primary or Secondary |
| TRANSFER & PRE-PROCESSING | | | | | |
| Crown Recycling Services Material Recovery Facility | 9189 De Garmo Avenue Sun Valley, CA 91352 | 19-AR-0303 | Receive, transfer, and pre-process ORGANIC WASTE | 300 to 1,500 tpd | Primary |
| City of Industry Material Recovery Facility | 14048 Valley Boulevard City of Industry, CA 91746 | 19-AA-0863 | Receive, transfer, and pre-process ORGANIC WASTE | 100 tpd only | Secondary |

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| Downey Area Recycling and Transfer Station (DART) | 9770 Washburn Road Downey, CA 90241 | 19-AA-0801 | Receive and transfer ORGANIC WASTE | 100 to 500 tpd | Secondary |
| Paramount Recycling Resources Material Recovery Facility (PRR) | 7230 Petterson Lane Paramount, CA 90723 | 19-AA-0840 | Receive and transfer ORGANIC WASTE | 200 tpd max | Secondary |
| PROCESSING | | | | | |
| Recology Blossom Valley Organics – South (Lamont) | 6061 N Wheeler Ridge Rd, Lamont, CA 93241 | 15-AA-0307 | Process ORGANIC WASTE via windrow composting | 300 to 1,500 tpd | Primary |
| American Organics | 20055 Shay Road Victorville, CA 92394 | 36-AA-0087 | Process ORGANIC WASTE excluding HORSE MANURE via aerated static pile composting | 100 tpd | Secondary |
| DISPOSAL | | | | | |
| Chiquita Canyon Landfill | 29201 Henry Mayo Dr, Castaic, CA 91384 | 19-AA-0052 | Disposal of residual waste | | Primary / Secondary |
| Mid Valley Landfill | 2390 Alder Ave, Rialto, CA 92377 | 36-AA-0055 | Disposal of residual waste | | Primary / Secondary |

4.4.2 Hours of Operation

The CONTRACTOR shall accept deliveries of ORGANIC WASTE collected by the CITY at the CONTRACTOR'S TRANSFER facilities between the hours of 6:00 AM and 6:00 PM, Monday through Saturday except on a COLLECTION HOLIDAY. For any week in which a COLLECTION HOLIDAY occurs Monday through Friday, the CONTRACTOR'S TRANSFER facility shall remain open to accept such deliveries from 6:00 AM to 6:00 PM on the Saturday following the COLLECTION HOLIDAY. The CONTRACTOR agrees that upon request by the CITY that the CONTRACTOR'S TRANSFER facilities remain open to accept such deliveries at times other than those delineated above within regulatory permit restrictions applicable to the facility.

4.4.3 PROCESSING and TRANSFER Capacity

The CONTRACTOR shall be responsible for receiving a maximum of 1,500 GROSS TONS per day (tpd) of ORGANIC WASTE at the Crown Recycling Services Material Recovery Facility ("Crown"), 100 tpd of ORGANIC WASTE at the City of Industry Material Recovery Facility ("Industry"), 500 tpd of ORGANIC WASTE at Downey Area Recycling and Transfer Station ("DART"), or 200 tpd of ORGANIC WASTE at the Paramount Recycling Resources Material Recovery Facility ("PRR").

The minimum yearly tonnage the CITY will utilize the CONTRACTOR'S facilities will be approximately 182,700 GROSS TONS per year and the minimum monthly tonnage would be approximately 15,225 GROSS TONS per month. Both the CONTRACTOR and the CITY acknowledge that there will be seasonal fluctuations at each of these facilities.

The CONTRACTOR will utilize its Crown, Industry, DART, and PRR facilities to receive ORGANIC WASTE from the CITY. These facilities will serve as each other's contingency to address facility disruptions or material volume increases as specified in the Facility Utilization Plan in Section 4.4.1.

4.4.4 Receipt of ORGANIC WASTE

The CONTRACTOR shall receive ORGANIC WASTE from the CITY collection vehicles and/or CITY transfer trailers (operating under CITY contract) at the CONTRACTOR'S TRANSFER and pre-processing facilities during permitted hours of operation. The CONTRACTOR may also receive finished and cleaned products, such as chipped and ground ORGANIC WASTE, compost or mulch from CITY facilities for further PROCESSING (if necessary), MARKETING, distribution, and transportation to end users arranged and designated by the CONTRACTOR.

4.4.5 Title to Delivered Materials

Upon acceptance of the materials at the CONTRACTOR'S FACILITIES per Section 4.4.3 above, as evidenced by CERTIFIED WEIGH TICKETS issued to CITY, the CONTRACTOR shall assume title to and responsibility for the materials delivered by the CITY or its contractors. Title to UNPERMITTED WASTE mixed in the delivered materials shall not transfer to the CONTRACTOR.

4.4.6 PROCESSING and/or TRANSFER of Material

The CONTRACTOR shall be responsible for PROCESSING received ORGANIC WASTE into beneficial products by means of mechanical processes including, but not limited to chipping, screening, cleaning, grinding, sizing, mulching; and

biological processes including, but not limited to anaerobic digestion and composting.

The CONTRACTOR shall also provide an option for TRANSFER services of received ORGANIC WASTE to be delivered to CITY-designated facilities for PROCESSING. The CONTRACTOR may TRANSFER material as-received or perform preliminary PROCESSING by means of mechanical processes including, but not limited to, chipping, screening, cleaning, grinding, and sizing prior to TRANSFER.

The CONTRACTOR shall be responsible for ensuring that the PROCESSING and/or TRANSFER of ORGANIC WASTE, and the resulting beneficial products comply with CONTRACTOR'S permits and APPLICABLE LAWS.

4.4.7 Contamination Removal

4.4.7.1 Loads with inbound CONTAMINANTS of five percent (5%) or more of waste by volume shall be deemed "Contaminated." Upon observation of a Contaminated load, CONTRACTOR must report such Contaminated waste to the CITY PROJECT MANAGER with photos, time, date, and truck number within 24 hours. CONTRACTOR will have the discretion to (i) process the Contaminated waste and charge the CITY a "Contamination Fee" according to the rate schedule for Contamination Fees (Table 4 of Article 11); or (ii) dispose of the Contaminated waste in a landfill, in which case a Contamination Fee will not be charged. If Contaminated loads are consistently observed for two consecutive weeks, the CONTRACTOR will perform a waste characterization. The waste characterization results will be shared with the City's Solid Waste Supervisor. CONTRACTOR and CITY will meet and confer to discuss remedies.

Notwithstanding the foregoing, the CONTRACTOR shall accept loads with an inbound CONTAMINANTS level up to twenty-five percent (25%) by volume. If upon visual inspection, the CONTAMINANTS appear to be greater than twenty-five percent (25%) by volume, the CONTRACTOR may identify the entire load as being a refuse load only with the concurrence of the CITY PROJECT MANAGER.

If the CITY PROJECT MANAGER or its representative cannot be present to inspect the load within two (2) hours of being notified of the occurrence, the CONTRACTOR must make a record of the truck number, driver name, and a photograph of the material prior to disposing of the material or mixing it with other loads.

- 4.4.7.2 The CONTRACTOR is required to maintain records and account for CONTAMINANTS generated from CITY loads separate from CONTAMINANTS produced by other customers.

When the inbound CONTAMINANTS level in a load delivered by the CITY is found to be greater than twenty-five percent (25%) by volume; the disposal of the entire load shall be charged to the CITY according to the rate schedule for "Contamination Fee" (Table 4 of Article 11).

When the inbound CONTAMINANTS level in a load delivered by the CITY is found to be less than twenty-five percent (25%) CONTAMINATION by volume, the load shall be invoiced on a separate line item from those loads in which CONTAMINANTS exceed twenty-five percent (25%) by volume.

- 4.4.7.3 CONTAMINANTS removed (including oversized material) must be disposed of at a certified REFUSE DISPOSAL FACILITY. Official WEIGHT TICKETS for CONTAMINANTS shall accompany the invoice (i.e., from the WEIGH STATION at the REFUSE DISPOSAL FACILITY).

- 4.4.7.4 Outbound material from the transfer/drop-off station must meet regulatory levels for CONTAMINANTS as set-forth in APPLICABLE LAWS. The final beneficial product must also meet regulatory levels as set-forth in APPLICABLE LAWS.

- 4.4.7.5 The CONTRACTOR shall be responsible for determining the percentage by weight of CONTAMINANTS and producing WEIGHT TICKETS to substantiate the percentage of CONTAMINANTS stated.

At the discretion of the CITY, for one five (5)-day week every three (3) months, a contamination analysis shall be performed at a CONTRACTOR TRANSFER and pre-processing facility to determine the percentage of CONTAMINANTS in the incoming material. In addition, the CONTRACTOR may undertake a contamination analysis at other times following five (5) days' advance written or telephonic notice to the CITY PROJECT MANAGER. The CONTRACTOR shall not charge the CITY any expenses related to the performance of these contamination studies. The CITY PROJECT MANAGER or designee shall be permitted by the CONTRACTOR to observe the contamination analysis performed by the CONTRACTOR. Over a 5-day period, CONTAMINANTS removed from the ORGANIC WASTE shall be weighed on certified scales and calculations performed to

determine the weight percentage of CONTAMINANTS. Each CITY truck containing ORGANIC WASTE shall be weighed during the five-day period to determine the GROSS TON weight of the incoming material. CITY will review and verify the characterization prior to approval. For the avoidance of doubt, CONTRACTOR shall use practices developed in its normal course of business to perform the foregoing analyses or characterizations and this Section 4.4.7.5 shall not be construed as requiring CONTRACTOR to perform analyses or characterizations in accordance with SB 1383 or related regulations.

In the event that the CONTRACTOR'S contamination analysis for the incoming loads is in a CONTAMINANT tier higher than the CONTAMINANT tier reported within the prior three (3) months average, as reported per their respective invoices (per Article 11, Section 11.9), the CITY and the CONTRACTOR agree to meet in good faith regarding methods to minimize the amount of inbound contamination and potential improvements to PROCESSING at CONTRACTOR'S FACILITIES, and any attendant potential costs, with the goal of maximizing the amount of material diverted from landfill disposal.

4.4.7.6 The CONTRACTOR shall contribute \$50,000, in the form of a check, due every year for the remaining life of the AGREEMENT, on or before each anniversary of the EXECUTION DATE, except for the first year wherein the contribution shall be made within 30 CALENDAR DAYS of the EXECUTION DATE. The check shall be made payable to the City of Los Angeles, Department of Public Works, Los Angeles Sanitation. This annual contribution to the Contamination Reduction Program shall support routine inspections of residential containers, provide for the dissemination of information regarding correct container usage and recycling procedures, and encourage contamination reduction.

4.4.8 MONITORING of Materials and Exclusion of UNPERMITTED WASTE

4.4.8.1 Responsibilities

The CONTRACTOR'S FACILITIES shall not be used for the handling, transportation, storage, or disposal of UNPERMITTED WASTE. Neither the CONTRACTOR nor the CITY shall allow the delivery of UNPERMITTED WASTE to the CONTRACTOR'S FACILITIES. In accordance with permits and APPLICABLE LAWS, the CONTRACTOR shall diligently monitor deliveries of material delivered to the CONTRACTOR'S FACILITIES to mitigate the potential of an inadvertent delivery of

UNPERMITTED WASTE. Copies of CONTRACTOR'S current Load Check Program, procedures and protocols for Crown are included in Appendix A. CONTRACTOR shall maintain similar procedures and protocols at other CONTRACTOR'S FACILITIES. CITY agrees to comply with all such procedures and protocols including but not limited to the CONTRACTOR'S FACILITIES Load Check Program, procedures and protocols as they are currently written and as they may be modified in the future. CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than 30 CALENDAR DAYS from such change.

If CONTRACTOR discovers that UNPERMITTED WASTE has been delivered to the CONTRACTOR'S FACILITIES by the CITY, the CONTRACTOR shall promptly contact the CITY PROJECT MANAGER by telephone and electronic mail, and provide written notice to the CITY and to other appropriate governmental authorities. Prompt contact by telephone and electronic mail shall be made within two (2) hours from the discovery of UNPERMITTED WASTE. Written notice shall be transmitted within two (2) CALENDAR DAYS from the discovery of UNPERMITTED WASTE. In as expeditious manner as possible, CONTRACTOR shall clean-up and/or remove the UNPERMITTED WASTE from the CONTRACTOR'S FACILITIES, transport, and dispose of such waste at an appropriate facility permitted to handle such UNPERMITTED WASTE in accordance with APPLICABLE LAWS.

4.4.8.2 Costs and Liabilities

CONTRACTOR shall pay all the costs incurred in monitoring UNPERMITTED WASTE pursuant to Section 4.4.8.1 of this Article. Subject to CITY review and approval, CITY shall promptly reimburse the (i) DIRECT COSTS of cleaning up, removing, transporting, and disposing UNPERMITTED WASTE delivered to the CONTRACTOR'S FACILITIES plus (ii) ten percent (10%) of DIRECT COSTS to compensate CONTRACTOR for general administrative overhead and profit; provided CONTRACTOR furnishes CITY proper cost substantiation, and CONTRACTOR is able to demonstrate that the CITY delivered such UNPERMITTED WASTE. 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 UNPERMITTED WASTE.

4.4.9 MARKETING of Beneficial Products

- 4.4.9.1 ORGANIC WASTE shall not be used as an Alternative Daily Cover (ADC) at a landfill or solid waste disposal facility unless prior authorization is received from the CITY.
- 4.4.9.2 The CONTRACTOR shall be responsible for ensuring that sound, useful, and beneficial products be produced from the ORGANIC WASTE, and that a market is procured for the total amount of finished products, including but not limited to soil amendment, dust suppressants, fertilizer, bulking agents, co-compost, compost and/or mulch, topsoil, seed cover, feedstock for resource/energy recovery processes or constituents for goods made from a recycling process. The CONTRACTOR shall be responsible for transporting such processed material to the REUSE FACILITIES. The CONTRACTOR shall provide the CITY with a confidential list of the REUSE FACILITIES on a quarterly basis.
- 4.4.9.3 The CONTRACTOR shall be responsible for ensuring that the handling of ORGANIC WASTE products, including but not limited to its transportation and the reuse, shall comply with all APPLICABLE LAWS, including but not limited to those laws regarding the herbicide Clopyralid, insecticide Bifenthrin, and the insect Asian Citrus Psyllid.
- 4.4.9.4 Should the CITY require the use of the finished product, the CONTRACTOR shall agree to offer the CITY right of first refusal, at price terms that are more favorable than those provided to other customers. The CITY shall have the right to conduct a review of CONTRACTOR'S prices and terms relating to these products to confirm the CONTRACTOR'S compliance with the provisions in this section.

4.4.10 WEIGH STATION and WEIGHT TICKETS

- 4.4.10.1 The CONTRACTOR is responsible for operating and maintaining a WEIGH STATION with a computerized weighing system fully compatible with CITY's collection vehicles and transfer trailers, and having scales for inbound and outbound weighing of CITY trucks, transfer trailers, and residential vehicles. If the CONTRACTOR's weighing system is capable of recording, storing and retrieving TARE WEIGHTS, outbound vehicle weighing shall not be necessary. Routine verification of CITY

vehicle and/or CITY transfer vehicle TARE WEIGHT recordings shall be conducted by a CITY representative for accuracy. The CONTRACTOR shall be responsible for determining the total tonnage of ORGANIC WASTE received at the CONTRACTOR'S TRANSFER and pre-processing facilities and the total tonnage of CONTAMINANTS separated from the ORGANIC WASTE. A WEIGHT TICKET shall be given to each CITY collection driver delivering a load of material to CONTRACTOR'S TRANSFER and pre-PROCESSING FACILITIES.

- 4.4.10.2 The CONTRACTOR shall have all CITY collection trucks and/or CITY transfer vehicles officially weighed prior to each truck depositing its load at CONTRACTOR'S TRANSFER and pre-PROCESSING FACILITIES. All WEIGHT TICKETS shall have the GROSS WEIGHT, date and time prior to unloading; the TARE WEIGHT, the net weight for each trip, the truck number of the appropriate CITY collection truck, and the license number of the appropriate transport trailer. The CONTRACTOR'S invoice to CITY shall include a list of all WEIGHT TICKETS for ORGANIC WASTE accepted at CONTRACTOR'S TRANSFER and pre-PROCESSING FACILITIES during the time period for which the invoice is calculated pursuant to Article 11, Section 11.9, herein. The CITY shall not pay the CONTRACTOR for that portion of ORGANIC WASTE delivered for which a list of WEIGHT TICKETS is not included with the invoice.

Copies of WEIGHT TICKETS will be stored by the CONTRACTOR throughout the duration of this CONTRACT and shall be made available to the CITY upon request within five (5) days of such request.

- 4.4.10.3 To the extent that all the WEIGH STATION scales are not operating or cannot be used, the CONTRACTOR shall notify the CITY within one (1) hour of non-operation and shall use every effort to minimize the period during which WEIGH STATION scales are not operable. If the permanent WEIGH STATION scales are not functioning for more than five (5) days, the CONTRACTOR shall use a portable scale until the permanent scales are operable.

Pending installation of the portable scale or repair of the permanent scales, the CONTRACTOR shall estimate the quantity of material delivered at the CONTRACTOR'S FACILITIES on the basis of truck and transfer trailer volumes, TARE WEIGHT, the designated compost facilities weigh records, and data obtained through historical information.

The CITY shall have the right, at its expense, to station its representative at any motor vehicle scale, or the scale house at the CONTRACTOR'S TRANSFER and pre-PROCESSING FACILITIES during operational hours defined in Article 4, Section 4.4.2, to monitor weighing operations, and to verify recorded TARE WEIGHTS of CITY delivery vehicles and scale accuracy.

4.4.11 Site Requirements

The CONTRACTOR shall maintain control of the accepting transfer/receipt site and related PROCESSING facilities for the term of the CONTRACT. The CONTRACTOR shall provide and maintain adequate male and female restroom facilities for CITY use at the CONTRACTOR'S FACILITIES. The CONTRACTOR shall also provide and maintain a clean out area for CITY vehicles.

4.4.12 CITY Priority

The CONTRACTOR agrees to give CITY vehicles priority access to the TRANSFER facility over non-CITY customers excluding CONTRACTOR'S vehicles. The CONTRACTOR shall ensure that TRANSFER and PROCESSING services are not hindered, delayed, or interfered with because of services provided to non-CITY users of the TRANSFER and PROCESSING facilities. The CONTRACTOR shall perform all activities under this AGREEMENT in accordance with APPLICABLE LAWS, rules, regulations, and permit requirements of the federal, state and local governments and their subordinate agencies.

4.4.13 Truck Turn-Around Time and Queuing

The 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. The 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 material loads to facilities other than the CONTRACTOR'S FACILITIES if time delays (exceeding the designated turn-around time period of 20 minutes) are being experienced at the CONTRACTOR'S FACILITIES. Minimum tonnage deliveries required of the CITY shall not apply during periods of delay caused by the CONTRACTOR.

4.4.14 Designated CONTRACTOR'S FACILITIES

The CITY trucks are not to be diverted by the CONTRACTOR to other

TRANSFER/PROCESSING sites without the prior confirmed written consent of the CITY, which consent shall not be unreasonably withheld.

4.4.15 Facility Maintenance

The CONTRACTOR shall be responsible for providing and maintaining its own trucks, drivers, and any other necessary personnel and equipment that are required to receive material from the CITY'S collection vehicles at the CONTRACTOR'S FACILITIES. The CONTRACTOR shall perform all mitigation measures and MONITORING at the CONTRACTOR'S FACILITIES as required by all APPLICABLE LAWS.

Additionally, the CONTRACTOR shall be responsible for reasonable periodic on-site observations at the REUSE FACILITIES and shall cease delivery of materials to such REUSE FACILITIES if the CONTRACTOR learns that permits required for PROCESSING of material have expired or have been revoked or otherwise have become invalid, or fails to operate in accordance with APPLICABLE LAWS. The CONTRACTOR shall notify the CITY, in writing, of any changes in permit status, together with a copy of such status change, received by the CONTRACTOR for any facility for which CITY material is delivered. Such notice to the CITY shall be made within two (2) OPERATING DAYS of the CONTRACTOR'S receipt of such status change.

4.4.16 Spill Prevention

All trucks used for the transportation of material from the CONTRACTOR'S TRANSFER and pre-processing facilities to the REUSE FACILITIES or for the transportation of CONTAMINANTS from the CONTRACTOR'S FACILITY to the REFUSE DISPOSAL FACILITY shall be tarped, sealed, and secured before leaving the loading site. The CONTRACTOR must remove any spillage or other accidental deposit of materials or CONTAMINANTS, and clean the affected area.

The CONTRACTOR shall submit a written, detailed, and complete Spill Response Plan to the CITY ten (10) business days prior to receiving the first truckload of material under this AGREEMENT. Further, the Spill Response Plan shall be submitted on either an annual basis, or whenever there is a change to the spill response plan. Such Spill Response Plan shall comply with all APPLICABLE LAWS and is subject to approval by the CITY.

4.4.17 Operating Resources

The CONTRACTOR shall employ staff, equipment, materials, supplies and services to operate, maintain, and manage the CONTRACTOR'S FACILITIES in accordance with accepted skills and practices of the waste management industry.

4.4.18 Workplace Safety Requirements

The CONTRACTOR shall provide all workers and the public protection from all safety hazards through its Occupational Safety and Health programs. The CONTRACTOR shall be responsible for abiding by APPLICABLE LAWS regarding workplace health and safety. The CONTRACTOR shall provide the CITY access to or printed copies of such health and safety programs and records, upon the CITY'S request. The CONTRACTOR shall notify the CITY, in writing, of any citation, together with a copy of such citation, received by the CONTRACTOR for any facility for which CITY material is delivered. Such notice to the CITY shall be made within two (2) OPERATING DAYS of the CONTRACTOR'S receipt of such citation.

4.4.19 Adherence to APPLICABLE LAWS

The CONTRACTOR certifies that all PROCESSING utilized at its CONTRACTOR'S FACILITIES and the REUSE FACILITIES will comply with applicable local, state and federal laws, rules, regulations and pronouncements. The CONTRACTOR further certifies that all finished products and its reuse will meet all applicable local, state, and federal specifications. The CITY will not be held responsible for, and disclaims any resulting liability thereof, for the CONTRACTOR'S failure to comply with applicable local, state, and federal laws, rules, regulations and pronouncements, the result of which is not, in whole or in part, due to the sole negligence or willful misconduct of the CITY, its agents or employees.

4.4.20 Site Inspection

The CONTRACTOR agrees that the CONTRACTOR'S FACILITIES and equipment used for the performance of this AGREEMENT are subject to reasonable inspections, during normal working hours, by CITY personnel or its agents without prior notice. Said inspections shall be for the purpose of ensuring compliance with the terms of this AGREEMENT and APPLICABLE LAWS, CITY personnel must always be accompanied by the CONTRACTOR while on-site.

4.4.21 Monthly Electronic Reports

The CONTRACTOR shall submit Monthly Electronic Reports corresponding to the time periods for submitting invoices stated in Article 11, Section 11.9. Monthly electronic reports shall conform to the sample Electronic Database Report provided in Appendix B. The details in said reports shall comply with the reasonable requirements of the CITY. The CONTRACTOR will provide the CITY electronic transfer of the reported data. Monthly reports submitted to the CITY PROJECT MANAGER must contain the following information:

- A. Name of CONTRACTOR'S FACILITY where the load was received
- B. CITY collection truck number (full five (5) digits) for all CITY trucks or CITY contracted transfer trucks with truck number and hauler's name
- C. List of WEIGHT TICKET(s) information: for each CITY load including GROSS WEIGHT, truck TARE WEIGHT, net weight, date and time, and truck number
- D. Total number of loads received per month
- E. Total monthly tonnage of material received at the CONTRACTOR'S FACILITIES
- F. Total tonnage and percent by weight of CONTAMINANTS received and location of disposal facility for the CONTAMINANTS
- G. Total number of rejected/disposed loads due to high level of contamination
- H. Total monthly tonnage of material shipped from the CONTRACTOR'S FACILITIES to the final reuse site

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

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

Name: Robert Zaratsian
 Address: 12303 Montague St., Pacoima, CA 91331
 Office Phone: (626) 705-7157; Cell Phone: (626) 855-7283
 E-mail: RZaratsian@athensservices.com

Name: Anthony Bertrand
 Address: 9189 DeGarmo Ave., Sun Valley, CA 91352
 Office Phone: 909-703-0239
 E-mail: ABertrand@athensservices.com

Name: Riel Johnson
 Address: 11121 Pendleton St, Sun Valley, CA 91352
 Office Phone: (626) 855-7228
 E-mail: RJohnson@athensservices.com

- 5.2 Additional technical specialists shall be assigned subject to the CITY PROJECT MANAGER'S approval.
- 5.3 The CONTRACTOR agrees to give the CITY PROJECT MANAGER written notice of any changes to key CONTRACTOR personnel, which notice shall be given as soon as practicable after the CONTRACTOR has made the change, but in no event later than seven (7) days after the change is made.
- 5.4 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 reasonably requested to do so by the CITY.

- 5.5 The 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 denied. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and paying all SUBCONTRACTORS. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request replacement of any SUBCONTRACTOR. 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 any SUBCONTRACTOR.

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

The CITY designates James Roska 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 PROJECT MANAGER may designate an assistant to act in his/her stead. The CITY may designate another CITY employee to succeed James Roska as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for approximately five (5) years beginning from the EXECUTION DATE or December 1, 2022, whichever is sooner, with two (2) five (5)-year renewal options at the mutual agreement of the parties, unless terminated as provided under Article 9 or further extended by a duly approved amendment to this AGREEMENT and signed by the parties. In addition to the two (2) five (5)-year renewal options, the parties may mutually 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 parties may mutually extend the AGREEMENT on a month-to-month basis prior to the end of either the initial five (5)-year term if the CITY elects not to renew, or the end of the fifteen (15)-year term if the parties elect to renew upon mutual agreement. During the period of extension, the CITY shall increase the expenditure amount for services performed by the CONTRACTOR by a maximum of ten percent (10%) of the total CONTRACT cost. During such a period of month-to-month extension, either party may terminate the AGREEMENT with sixty (60) days' written notice to the other party. The CITY's election of such extension (for a cumulative total of a maximum of 6 months) is in addition to the CITY's ability to exercise either or both of its renewal options.

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 (NOT APPLICABLE)

ARTICLE 9 – TERMINATION

9.1 Termination for Breach of Contract

- 9.1.1 Except as provided in Article 21, this CONTRACT 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 CONTRACT 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 from the terminating party subject to the terminating party's approval, which will not be unreasonably withheld.
- 9.1.2 This CONTRACT 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 CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors or (2) CONTRACTOR engages in any dishonest conduct related to the performance or administration of this CONTRACT or (3) CONTRACTOR violates the CITY'S lobbying policies or (4) CONTRACTOR default. If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this CONTRACT 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.
- 9.1.3 Upon receipt of a termination action under Section 9.1.2 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, and as consistent with Article 16, which shall become CITY property upon date of such termination in accordance with reasonable terms and conditions, including measures required to protect CONTRACTOR with respect to any of its licensors. 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.

9.1.4 In the event the CITY terminates this CONTRACT as provided in this Section, the CITY may procure, upon such terms and in the manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and the CONTRACTOR shall be liable to the CITY for all of its costs and damages for such services.

9.1.5 If, after notice of termination of this CONTRACT under the provisions of this Section, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this Section, or that the default was excusable under the terms of this CONTRACT, the rights and obligations of the parties shall be the same as if the notice of termination had been issued as a termination for convenience in which case CITY shall pay any and all sums due to the CONTRACTOR under the AGREEMENT through the effective date of termination and those reasonable costs incurred by the CONTRACTOR to effect the termination.

9.1.6 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.

9.2 In the event that this CONTRACT is terminated, the CONTRACTOR shall immediately notify all employees and SUBCONTRACTORS, and shall notify in writing all other parties contracted with under the terms of this CONTRACT within five (5) working days of the termination. The CITY shall pay the CONTRACTOR any and all sums due to the CONTRACTOR under the CONTRACT, for services performed through the effective date of termination.

ARTICLE 10 – SUBCONTRACT APPROVAL

All agreements with SUBCONTRACTORS 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. A copy of all agreements with SUBCONTRACTORS 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. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT 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, which shall not be unreasonably denied. 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 Compensation and Discounts

The CITY shall compensate the CONTRACTOR for the services performed as described in Article 4 herein. The CITY shall compensate the CONTRACTOR on a cost-per-ton basis, which shall be the sole compensation paid to the CONTRACTOR.

The CONTRACTOR agrees that the cost-per-ton is all inclusive, and includes but is not limited to, all of the overhead costs, capital costs, permit fees, profits and any and all other costs of relating to the CONTRACT. The schedule shown in Table 1, 2, and 3 in Section 11.2 of this Article shall apply. Removal rates for CONTAMINANTS shall be charged pursuant to Table 4, as specified below.

The CITY shall apply a discount of two percent (2%) from the undisputed gross invoiced amount for all payments made within 30 days of the invoice submittal date. A submitted invoice shall be deemed complete when the following documentation has been received:

1. Invoice (Article 11, Section 11.9)
2. Schedule B (Article 11, Section 11.9.1)
3. Electronic Monthly Report (Article 4, Section 4.4.21)

11.2 For the complete and satisfactory performance of the terms of this Agreement, the CITY shall pay a "Service Fee," as defined below, to the CONTRACTOR in accordance with the service provided as detailed in Tables 1, 2, 3, and 4 as applicable.

The Service Fee is an all-inclusive cost including but not limited to host fees, transloading, transfer, processing costs, and cost to remove and properly dispose of any contaminants (other than UNPERMITTED WASTE).

Table 1. Service Fees at Crown Facility

| CROWN FACILITY | Tons Per Day | | |
|--|---------------------|-------------------|-----------------|
| Service Description | 300 - 500 | 501 - 1000 | >1000 |
| Transfer (\$/ton) | \$70.00 | \$65.00 | \$60.00 |
| Pre-Processing & Transfer (\$/ton) | \$78.00 | \$73.00 | \$68.00 |
| Transfer, Pre-Processing & Composting (\$/ton) | \$118.00 | \$113.00 | \$108.00 |
| Composting Facility | Recology | Recology | Recology |

| | | | |
|--|--------|--------|--------|
| | Lamont | Lamont | Lamont |
|--|--------|--------|--------|

Table 2. Service Fees at DART and PRR

| DART and PRR | DART Tons Per Day | PRR Tons Per Day |
|----------------------------------|--------------------------|-------------------------|
| Service Description | 100 - 500 | 200 |
| Transfer (\$/ton) | \$75.00 | \$75.00 |
| Transfer and Composting (\$/ton) | \$130.00 | \$130.00 |
| Composting Facility | Recology Lamont | Recology Lamont |

Table 3. Service Fee at Athens Industry MRF

| Athens Industry MRF | Tons Per Day |
|--|---------------------|
| Service Description | Only Max 100 |
| Transfer, Pre-Processing & Composting (\$/ton) | \$118.00 |
| Composting Facility | American Organics |

Table 4: Contamination Fee

| Contamination Level | Contamination Fee (\$/ton) <i>(To be added to the Transfer, Pre-Processing & Composting Services Fee at Crown and Industry and the Transfer and Composting Service Fees at DART and PRR)</i> |
|---|--|
| > 5% – 10% | + \$10.00 |
| > 10%-15% | + \$15.00 |
| > 15%-20% | + \$20.00 |
| > 20%-25% | + \$25.00 |
| > 25% (material will not be processed) | \$75 for landfill disposal <i>(Transfer, Pre-Processing & Composting Service Fees at Crown and Industry and the Transfer and Composting Service Fees at DART and PRR will not apply)</i> |

- 11.3 The amounts paid pursuant to Section 11.2 of this Article above shall vary according to the average daily tonnage amount delivered to the CONTRACTOR'S FACILITY over any monthly billing cycle as shown in the following rate schedules.

- 11.4 The rates in Tables 1, 2, 3, and 4 shall be effective upon EXECUTION DATE, and shall be adjusted each July 1st thereafter for the term of the AGREEMENT using a weighted price index, as follows:

$$1 + ((0.48 \times \% \text{ change in ECI-TTU}) + (0.40 \times \% \text{ change in PPI-SW}) + (0.12 \times \% \text{ change in PPI-T}))$$

where "% change" is the percentage change in the index from the previous year. ECI-TTU, PPI-SW, and PPI-T are price indices computed and published by the U.S. Department of Labor, Bureau of Labor Statistics and the Saint Louis Federal Reserve. They are officially defined as follows:

- ECI-TTU is the Employment Cost Index for Total Compensation by Occupational Group and Industry for Private Industry Worker, Service Producing Industries, Trade, Transportation, and Utilities, seasonally adjusted, (Dec. 2005=100) as published by the U.S. Department of Labor, Bureau of Labor Statistics. This index captures year over year changes in the cost of labor and general operating costs in industries such as solid waste collection.
- PPI-SW is the Producer Price Index for Solid Waste Collection (PCU562111562111), U.S. City Average, as published by the Saint Louis Federal Reserve. This index captures year over year changes in the cost of goods and services purchased by consumers. For the purposes of the weighted index, it is used as a proxy for year over year changes to disposal and processing costs.
- PPI-T is the Producer Price Index for Transportation Industries (PCUATRANSATRANS) as published by the Saint Louis Federal Reserve. This index captures year over year changes in the cost of owning, operating, and maintaining vehicles such as solid waste collection vehicles.

Except as provided below in this AGREEMENT, the weighted index presented above shall be the sole basis for regular adjustments to unit costs and rates. The annual adjustment to unit costs (and rates) shall never be less than 0 percent or greater than 6 percent. Any percentage amount calculated which 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.

The PPI-SW and PPI-T are available for April of each year. ECI-TTU is published quarterly. The percent changes in the PPI-SW and the PPI-T shall be computed using the current and prior year April values for these indices. The percent change in the ECI-TTU shall be computed using the current and prior year March values for these indices. New rates will be calculated in June of each year, and published for the next fiscal year in late June.

- 11.5 In addition to the rates in Table 1, 2, 3, and 4, the total costs of services shall be adjusted each week by the transportation fuel surcharge ("FS"). The FS shall be added to the total

costs of services to account for the fluctuations in diesel fuel price. The Baseline Fuel Price ("BFP") shall be \$4.00/gal. The Average Fuel Price ("AFP") shall be the weekly "on highway" diesel fuel price for the Los Angeles area published by the Energy Information Administration of the U.S. Department of Energy (EIA/DOE). In any week where the AFP exceeds the BFP, the FS shall be calculated by subtracting the BFP from the AFP, and multiplying the resultant differential by the FS Factor. In any week where the AFP does not exceed the BFP, the FS shall be \$0. If AFP exceeds the BFP:

$$FS = (AFP - BFP) \times FS \text{ Factor, (unit: \$/ton)}$$

For purposes of this section, the "FS Factor" shall be calculated as follows:

$$FS \text{ Factor} = (190 \text{ miles}^*) / (4.75 \text{ mpg} \times 22 \text{ tons}) = 1.82 \text{ gal/ton}$$

*miles from CONTRACTOR'S FACILITY to Lamont

- 11.6 Should the CONTRACTOR experience substantial increased costs associated with the services it is providing pursuant to this AGREEMENT, which are outside its control, the CONTRACTOR may request an increase in the cost-per-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-ton to the CITY. The CITY shall have the right to review the documentation and either agree to pay the requested increase, a different negotiated amount, or deny the CONTRACTOR'S request; provided, however, that CONTRACTOR'S request will not be unreasonably denied. Examples of increased costs outside of the CONTRACTOR'S control include, but are not limited to, changes in regulatory and tax requirements. 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.
- 11.7 The CITY'S obligation to provide compensation to the CONTRACTOR, and CONTRACTOR'S obligation to perform, under this AGREEMENT shall only be to the extent of the CITY appropriation to fund this AGREEMENT. No action, statement or omission of any officer, agent or employee of the CITY shall impose any obligation upon the CITY, such officer, agent or employee of the CITY, except to the extent the CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT. No work shall create an immediate indebtedness nor shall indebtedness arise against the CITY for said work until and unless there is an appropriation of funds to pay for said work. However, if CITY shall appropriate funds for any successive fiscal years, CITY'S obligations shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT and CITY shall compensate CONTRACTOR for any previously uncompensated work.
- 11.8 The CITY shall pay the CONTRACTOR for services rendered hereunder in an amount to be calculated and described in Sections 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, and 11.13 provided herein. Such sums shall be paid in accordance with monthly invoices prepared by the CONTRACTOR and submitted to the CITY as described in Sections 11.9, 11.10,

11.11, and 11.12 provided herein.

11.9 Invoicing

The CONTRACTOR shall submit to the CITY one copy of each invoice, for services rendered from the first to the end of each calendar month by the 15th day of the subsequent month. Invoices shall be supported by the documents outlined in Section 11.1 and other source documents as may be reasonably required by the CITY to establish the amount of such invoices as being acceptable. Payroll documents relative to this AGREEMENT shall be kept in accordance with Section 4.3 and made available to the CITY upon request.

11.9.1 A Subcontractor Utilization Report (Schedule B) listing SUBCONTRACTORS, monthly amounts invoiced by each SUBCONTRACTOR, and invoiced amounts paid to date to each firm by the CONTRACTOR, shall be submitted as part of the monthly invoice.

The 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 Report (Schedule B). All invoices shall be subject to audit for a period of five (5) years from the termination of this AGREEMENT.

11.9.2 The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S personnel for invoice preparation. The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S communication expenses and computer time charges.

11.10 The CITY shall review the CONTRACTOR'S invoice(s) and notify the CONTRACTOR in writing of exceptions or any disputed tonnage within 60 days of receipt. The CONTRACTOR is given 60 days to resubmit a corrected invoice. The total invoice amount less any exceptions or disputed tonnage shall be considered approved for payment by the CITY. The CITY shall pay the CONTRACTOR all amounts approved for payment in a timely manner after the CITY PROJECT MANAGER receives the CONTRACTOR'S invoices.

11.11 Invoices and supporting documentation shall be submitted electronically to:

Solid Resources Support Services Program Manager
Attn: James Roska
Email: James.Roska@lacity.org

11.12 The CITY shall not be responsible for the payment of invoices or supplemental invoices submitted to the CITY more than 60 days after the date of service.

11.13 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.

ARTICLE 12 - AMENDMENTS, CHANGES, OR MODIFICATIONS

All amendments, changes, or modifications to this CONTRACT shall be in writing and signed and approved by the parties and deemed effective pursuant to the provisions of Article 7.

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, the 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 3 hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 3 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 3 hereto. Exhibit 3 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 an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold itself out or any of its directors, officers, partners, employees, or agents to be an agent or employee of CITY.

ARTICLE 15 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR

- 15.1 The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all reports and other like 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 reports, calculations, and other like services.
- 15.2 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.
- 15.3 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.
- 15.4 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

The CONTRACTOR, at its own expense, 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 arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT; or (2) as a result of the CITY'S actual or intended use of any Work Product (as defined Article 18) furnished by the CONTRACTOR, or its SUBCONTRACTORS, under this CONTRACT. 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.

ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

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, artworks, 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 purpose(s).

Except as required by APPLICABLE LAW, 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 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 Persons:

Solid Resources Support Services Program Manager
Attn: James Roska
Email: James.Roska@lacity.org
Tel: (213) 485-2988

Solid Resources Support Services Senior Program Manager
Attn: Bernadette Halverson
Email: Bernadette.Halverson@lacity.org

Tel: (213) 485-3634

Solid Resources Support Services Division Manager

Attn: Robert Potter

Email: Robert.Potter@lacity.org

Tel: (213) 485-3825

1149 S. Broadway Suite 500

Los Angeles, CA 90015

Fax: (213) 485-2961

cc: Los Angeles Sanitation Assistant Director

Attn: Alexander E. Helou

1149 S. Broadway Suite 900

Los Angeles, CA 90015

To The CONTRACTOR:

Contact Persons:

Name: Robert Zaratsian

Address: 12303 Montague St., Pacoima, CA 91331

Office Phone: (626) 705-7157; Cell Phone: (626) 855-7283

E-mail: RZaratsian@athensservices.com

Name: Anthony Bertrand

Address: 9189 DeGarmo Ave., Sun Valley, CA 91352

Office Phone: 909-703-0239

E-mail: ABertrand@athensservices.com

Name: Riel Johnson

Address: 11121 Pendleton St, Sun Valley, CA 91352

Office Phone: (626) 855-7228

E-mail: RJohnson@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 ("Force Majeure").

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

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

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 hereunder shall comply with all APPLICABLE LAWS, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing. This CONTRACT and its performance 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.

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 thereby.

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

For the duration of this CONTRACT, the CONTRACTOR shall maintain a 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, within two (2) business days, 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

Throughout the term of this CONTRACT, the CONTRACTOR shall offer the CITY the best terms, prices, and discounts for beneficial products produced by CONTRACTOR from ORGANIC WASTE as specified in Section 4.4.9.2 that are offered to any of the CONTRACTOR'S customers for similar goods and services provided under this CONTRACT.

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 CONTRACTOR hereunder), and shall pay all amounts due under the Unemployment Insurance Act 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 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) 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 ORDINANCE 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.

35.2 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

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 a 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/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform SUBCONTRACTOR outreach activities through BAVN. 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 04 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 11, if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in LAAC 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, CONTRACTOR, CONTRACTOR’S principals, and CONTRACTOR’S SUBCONTRACTORS expected to receive at least \$100,000 for performance under the 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 (12) 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 (12) 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 (10) business days if it changes during the twelve-month (12-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 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 14)

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 (24) 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 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 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 the CONTRACTOR pursuant to this CONTRACT (collectively “Confidential Information”) are confidential. The CONTRACTOR shall not provide or disclose any Confidential 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 as required by law. The CONTRACTOR shall immediately notify the CITY of any attempt by a third party to obtain access to any Confidential Information. 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

Employees of the CONTRACTOR and/or persons working on its behalf in furtherance of this CONTRACT, including, but not limited to, SUBCONTRACTORS (collectively, “Contractor Personnel”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”) prior to (1) interacting in person with CITY employees, contractors, or volunteers, (2) working on CITY property while performing services under this Agreement, and/or (3) coming into contact with the public while performing services under this AGREEMENT (collectively, “In-Person Services”). “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, the CONTRACTOR shall obtain proof that such Contractor Personnel has been fully vaccinated. The CONTRACTOR shall retain such proof for the document retention period set forth in this AGREEMENT. The CONTRACTOR shall grant medical or religious exemptions to Contractor Personnel as required by law.

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

CITY OF LOS ANGELES

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

By: _____

By: _____

Title: Commissioner, Board of Public Works

Title:

Date: _____

Date: _____

By: _____

Title: Commissioner, Board of Public Works

Date: _____

**APPROVED AS TO FORM
MICHAEL N. FEUER, City Attorney**

By: _____
Adena Hopenstand

Title: Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Title: Deputy City Clerk

Date: _____

APPENDIX A

LOAD CHECKING PROGRAM

**Crown
(August 2022)**

CONTRACTOR recognizes the need to exclude hazardous materials from being delivered to the facility and transferred to a Class III landfill. It is recognized that there may be some HOUSEHOLD HAZARDOUS WASTE (from small quantity generators and/or households) contained within some loads associated with small businesses or garage cleanups. These materials are a potential hazard to workers and to the environment.

This facility will reduce the amount of hazardous materials, HOUSEHOLD HAZARDOUS WASTE, and other forms of UNPERMITTED WASTE (collectively, "Hazardous Materials") to the facility through a five-step program designed to prevent hazardous materials from entering the waste stream and ultimately deposited in Class III landfills.

This program consists of the following steps:

1. At the scale house, where every vehicle enters the site, signs will notify customers that Hazardous Materials will not be accepted at the facility and that disposal or attempted disposal is unlawful.
2. The scale operators will verbally remind drivers that they cannot dispose of Hazardous Materials at the facility.
3. All load spotters will be trained to recognize Hazardous Materials and will be instructed to be alert for their presence in loads being discharged within the station.
4. Equipment operators will be trained to recognize Hazardous Materials and to be alert for their presence on the tipping floor.
5. Tipping floors will be monitored to identify haulers illegally disposing of Hazardous Materials.

The effectiveness of these procedures will be evaluated by implementing a program to randomly check incoming loads based on the following daily incoming tonnage thresholds:

- Less than 1,000 tons/day of incoming material - a minimum of three incoming loads will be randomly selected for load checking.
- 1,000 tons/day or more of incoming material - a minimum of six incoming loads will be randomly selected for load checking.

These loads will be dumped apart from other vehicles, and then inspected for the presence of Hazardous Materials. The personnel inspecting these loads will be trained to recognize, handle, and contain Hazardous Materials in a safe and proper manner.

Random Selection of Vehicles

Facility personnel will randomly select the vehicle(s), at the minimum daily frequency outlined above, to participate in the mandatory load inspections. The goal of the program is to select vehicles and loads that provide a representative sample (in the aggregate) of the vehicles delivering to the site. The vehicles will be selected at different times each day, to prevent station users from scheduling deliveries to avoid inspections. Requests by representatives of regulatory agencies for inspection of a specific vehicle or vehicles of a specific company will be honored to the maximum extent possible.

Dumping Procedure

Selected vehicles will be directed to deposit their loads in clean areas of the tipping floor. This area may be different for each selected load. No specific location has been set aside for load checking. Rather, the area will vary depending on which portions of the facility are being used for different operations. The selected loads will be separated from other site operations by traffic cones. Contents from the vehicle selected for inspection will not be mixed with other incoming loads. After load sorting, all non-hazardous contents will be mixed in the unprocessed pile. Hazardous Materials will be handled as described below.

Sorting Process

After the selected vehicle has dumped its load on the tipping floor, the sorting personnel will thoroughly inspect the load for unacceptable materials. This separation process will require that all containers (paper and plastic bags, boxes and other containers) large enough to contain other materials be opened to reveal their contents, if safe to do so.

Training Process

Only those personnel who have been trained in the use of Personal Protective Equipment, Emergency Response, Identification of Hazardous Materials, and Proper Handling Procedures, as specified below, shall be allowed to sort loads.

Training is required at the time of an employee's initial assignment and whenever a new hazard is introduced into the workplace. In addition, supervisory staff shall conduct training sessions related to the specific aspects of the load checking program. Training will be reinforced at annual intervals. Training records will be made available to the inspectors or regulatory personnel if required.

Personal Protective Equipment

The following types of personal protective equipment shall be provided to workers involved in the load check program:

--Gloves--No one will be allowed to touch anything without a glove.

--Eye Protection--All workers involved in the load check program shall wear safety glasses or goggles.

--Body Protection--All workers involved in the load check program shall wear a hard hat, long pants and long sleeved shirt.

--Respiratory Protection--All workers involved in the load check program shall wear a facemask. If any hazardous material will be handled or any suspect hazardous material is seen, a person qualified to use a N95 respirator will be the only one allowed to handle these materials.

--Situations involving a need for a greater level of protection will be referred to the LA City Haz-Mat or to a hazardous waste contractor.

Emergency Response

General

Emergency Coordinators

Primary: Operations Manager
 9189 De Garmo Ave, Sun Valley, CA 91352
 Phone: (201) 912-1536

Secondary: Operations Supervisor, 1st Shift
 9189 De Garmo Ave., Sun Valley, CA 91352
 Phone: (747) 266-6616

Tertiary: Operations Supervisor, 2nd Shift
 9189 De Garmo Ave, Sun Valley, CA. 91352
 Phone: (818) 640-0289

The Emergency Coordinator or his/her alternative shall be available at all times (on site or on-call) during operation of the facility.

A list shall be displayed in the office and dispatch area providing the telephone numbers of the Emergency Coordinator, Alternate Coordinator, local fire department, nearest hospital, police department, fire department and ambulance. A map shall be posted showing the locations and best routes to the medical facility.

There shall be a First Aid Kit readily available at the facility. The facility shall have a continuous water supply suitable for use as decontaminating eye wash or shower. If a person must be decontaminated, an attempt will be made to contain all potentially contaminated water. Site personnel should not be expected to remove any container from the site that generates heat, noise or pressure. City or county health authorities should be immediately notified and respond accordingly.

Spill Procedures

In the event of a spill of hazardous or potentially hazardous liquid chemicals, the Emergency Coordinator shall be notified and shall coordinate cleanup of the spill.

Standard commercial absorbent materials shall be kept on site and accessible to be used for cleanup and containment of spills. This absorbent material is located in the scale house and also is readily available as wood fines on site where wood grinding is performed.

All contaminated waste shall be placed in the proper storage container, with particular care to ensure that incompatible wastes are not commingled (see below for discussion of incompatible wastes).

Following cleanup of the spill, immediate decontamination of the area where the spill occurred will be undertaken. Contaminated equipment, building surfaces, and pavements will be cleaned with water or water/detergent as appropriate depending on the nature of the contamination. Liquid wastes will be contained with absorbent dikes and collected. All materials used in the decontamination shall be placed in the appropriate container.

Leaking containers shall be transferred to larger intact containers, if safe to do so. The leaking container shall be placed into the secondary container after personnel ensure that an amount of absorbent sufficient to absorb any residue is contained in the secondary container.

Fire or Explosion Procedure

The person who discovers a fire or explosion shall sound the alarm and ensure that the facility is evacuated. The Emergency Coordinator shall be notified immediately and shall have the authority to take whatever measures are necessary to protect the public health and the environment.

The Los Angeles City Fire Department and police department shall be notified by calling 911.

The Fire Department shall be given the following information:

- Name of the facility, the address and the location
- Nature of the incident
- Quantity and type of material involved
- Possible hazards

Once evacuation is accomplished, the Emergency Coordinator shall determine whether there are any injuries. If the extent of the injuries warrants, medical assistance shall be obtained through the following agencies (provide agency names and telephone numbers):

- L.A. City Paramedics: 911
- Occu-Med Medical Center (818) 765-5909

The Emergency Coordinator shall document the incident in its entirety. If hazardous or potentially hazardous materials were involved; the Department of Health Services shall be notified. An official report shall be submitted within 15 days to the Department of Health Services. This will include the time, date and details of the incident.

Procedures for Handling Hazardous Materials

To the maximum extent possible, station personnel shall attempt to identify the transporters of any Hazardous Materials identified by spotters or during random load checks. If the transporter is known, he will be notified immediately and asked to remove the materials from the facility. The Department of Health Services, (213) 744-3223, will also be notified. In addition, station personnel will cooperate with the District Attorney in terms of providing any evidence determined necessary to prosecute illegal disposers of hazardous waste.

Handling of Hazardous Materials when the Transporter Cannot be Identified

Hazardous Materials of unknown origin may occasionally be removed from loads, despite all attempts to identify the transporter. This material cannot be delivered to the landfill, or CONTRACTOR will be liable for illegal disposal. The material must be removed from the load and prepared for proper disposal via a qualified hazardous waste contractor.

If the transporter or generator cannot be identified, CONTRACTOR will become the generator of record.

The remainder of this load check program discusses required procedures in this eventuality.

--Hazardous Materials removed from the loads include but may not be limited to the following types:

- Unwanted or unusable labeled packaged products.
- Cleanup materials from labeled packaged products, which are the result of accidental spills.
- Unlabeled wastes which can be reasonably identified.
- Unlabeled wastes which cannot be identified.

As materials are removed from the loads, they should be temporarily set aside according to the type of material. Leaking containers should be immediately taken to the appropriate storage container, if safe to do so.

Identifiable materials should be classified and marked according to the hazard category of the waste material. Standard hazard categories include flammable and combustible, oxidizers, poisons, poisons containing heavy metals, corrosives (acids), and corrosives (bases).

Care must be taken in assigning hazard categories, as some material may be properly classified in more than one category. Check all the ingredients listed on the package. Some packages may be labeled POISON (such as sulfuric acid) when their correct classification is CORROSIVE (ACID).

Once the proper hazard category has been determined, the wastes can be taken to their assigned storage locations.

Procedures for Handling Unknowns

Any materials, which are removed from the refuse because they appear to be hazardous but are otherwise unidentifiable should be set aside, away from other materials. CONTRACTOR shall contact its hazardous waste contractor to perform an identification of the material.

Packaging Procedures

CONTRACTOR personnel will not perform consolidation or lab packing of hazardous waste. A qualified hazardous waste contractor will be contacted to package, label and transport the material to a permitted TSDF.

Disposal Procedures

Hazardous Materials must typically not accumulate at the transfer station for more than 90 days, unless the volume does not exceed 100Kg(220lbs)/month. Once the facility has reached the weight threshold or other regulatory triggers, a qualified hazardous waste company will come and remove them from the facility.

The facility has secured an EPA ID number, as a hazardous waste generator in the event that the facility operator must dispose of illegally dumped wastes.

All Hazardous Materials are to be transported off site, by a commercial hazardous waste hauler. A hazardous waste manifest or approved shipping document will be prepared before such transport. The manifest contains the following information.

- Company name, mailing address, telephone number and EPA identification number
- Name and EPA number of transporter.
- Name, address, and EPA number of designated and alternate treatment/disposal facility.
- Description of the wastes.
- Total quantity of each waste type and the number of containers as loaded onto the transport vehicle.

Once the manifest has been completed, CONTRACTOR will retain two copies and shall give the remaining copies to the transporter. CONTRACTOR will also submit a legible copy to DTSC. CONTRACTOR will later receive a copy of the manifest signed by the operator or owner of the designated treatment/disposal facility. CONTRACTOR shall keep copies of all manifests for at least 3 years.

CONTRACTOR shall only use permitted hazardous waste transporters and treatment/disposal facilities.

Reporting and Record Keeping Procedures

The types and amounts of Hazardous Materials removed from the loads shall be documented on a California Hazardous Waste Manifest or other appropriate shipping document. This manifest/shipping paper will be used when Hazardous Materials are shipped via a registered hazardous waste transporter. Copies of all manifests prepared on site shall be kept on file either at the facility or in the management offices.

A complete inventory of the types and amounts of Hazardous Materials collected at the facility will be kept on file at the facility. Other types of records to be kept at the facility or the management offices shall include the following.

- Training records (including Health and Safety certifications).
- Inspection records.
- Spill or emergency incident reports.
- Copy of the Load Check Plan.

APPENDIX B
Electronic Database Report

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TRANSMITTAL 3

CONTRACT NO. C-XXXXXX

SERVICE AGREEMENT
BETWEEN

THE CITY OF LOS ANGELES

AND

RECOLOGY BLOSSOM VALLEY ORGANICS - SOUTH

FOR
THE RECEIPT, PROCESSING, AND BENEFICIAL REUSE OF ORGANIC WASTE
FROM THE CITY OF LOS ANGELES' CURBSIDE COLLECTION PROGRAM



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

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

Solid Resources Support Services Division
Robert J. Potter, Division Manager

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**AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND RECOLOGY
BLOSSOM VALLEY ORGANICS - SOUTH FOR THE RECEIPT, PROCESSING, AND
BENEFICIAL REUSE OF ORGANIC WASTE FROM THE CITY OF LOS ANGELES'
CURBSIDE COLLECTION PROGRAM**

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 Recology Blossom Valley Organics - South, hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

W I T N E S S E T H

WHEREAS, the CITY has a need for contracting services for the receipt, processing, and beneficial reuse of ORGANIC WASTE from the City of Los Angeles' Curbside Collection Program; and

WHEREAS, the Mayor's Sustainable City pLAn sets a goal for LA Sanitation and Environment (LASAN) to divert 90% of all solid waste from the landfills by the year 2025 through source reduction, reuse, and recycling; and

WHEREAS, the Mayor's 2019 Sustainable City pLAn, L.A.'s Green New Deal, set goals for citywide residential food scraps collection by 2021 and 100% diversion of organic waste from landfills by 2028; and

WHEREAS, Senate Bill (SB) 1383 calls for a 50% reduction in statewide organic waste disposal compared to 2014 levels by 2020, and 75% reduction by 2025; and

WHEREAS, LASAN collects residential organics, recyclables, refuse, and horse manure from approximately 750,000 households; and

WHEREAS, LASAN collected approximately 1,762 tons per day of yard trimmings in Fiscal Year 2020-21; and

WHEREAS, recent waste characterizations indicate that approximately 21% of residential landfilled waste is food waste, and over 50% is organic material; and

WHEREAS, it is estimated that a total amount of 3,000 tons per day of organic material is generated in the residential curbside collection program; and

WHEREAS, LASAN has a need for services to receive and process residential ORGANIC WASTE (e.g., food waste, yard trimmings, and food-soiled paper) to meet the Mayor's Sustainable City pLAn and SB 1383 goals, and

WHEREAS, PROCESSING services are deemed to be vital to meet the CITY's commitment to divert ORGANIC WASTE from landfills; and

WHEREAS, on October 1, 2021, the Board of Public Works (BOARD) authorized the CITY to distribute a Request for Proposals (RFP) for the receipt, transport, processing, and beneficial reuse of organic waste collected from the City's curbside collection program; and

WHEREAS, on December 22, 2021, the CITY received eight (8) proposals in response to the RFP; and

WHEREAS, Recology Blossom Valley Organics - South (CONTRACTOR) was deemed among the most qualified proposers having the experience and expertise to perform the services as set forth in the RFP; and

WHEREAS, the CONTRACTOR meets the Federal, State, and Local requirements to perform the scope of services required; and

WHEREAS, the services to be provided by CONTRACTOR are of an expert and technical nature; 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, and/or section headings appearing herein have been inserted for convenience and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, intent or construction of any of the terms or provisions hereof. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or the CONTRACTOR. The singular shall include the plural; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

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:

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| ACCEPTABLE ORGANIC WASTE | A load of ORGANIC WASTE that contains no more than fifteen percent (15%) total CONTAMINATION by weight, no more than five percent (5%) manure by weight, no more than one percent (1%) glass by weight, and no UNPERMITTED WASTE. |
| AGREEMENT/CONTRACT | This contractual agreement between the CITY and CONTRACTOR. |
| APPLICABLE LAW | All statutes, rules, regulations, permits, requirements or orders of the United States, State of California, City of Los Angeles, County of Los Angeles, and all other federal, state, regional, county and local government authorities and agencies. |
| BIODEGRADABLE/COMPOSTABLE PRODUCTS | Certified biodegradable or compostable products that will break down in an industrial composting process. Such products include, but are not limited to, plates, bowls, cups, etc. Products shall be mutually agreed upon between CITY and CONTRACTOR. |
| BOARD | The Board of Public Works of the City of Los Angeles. |
| CALENDAR DAY | Each day beginning at 12:01 AM and ending twenty-four (24) hours thereafter at 12:00 AM midnight. |
| CERTIFIED WEIGH STATION | A weigh station in compliance with the weight and measure laws in the California Business and Professions Code, and operated by a licensed Weigh Master. The weigh station shall also bear a seal of approval by a county Sealer of Weights and Measures under the supervision and direction of the Secretary of Food and Agriculture. |
| CERTIFIED WEIGHT TICKETS | Weight tickets issued by a certified Weigh Master from a CERTIFIED WEIGH STATION indicating the gross weight and tare weight of the vehicle or container, and the net weight of the material. |
| 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, 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 manners concerning this document. |

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| CITY PROJECT MANAGER | A representative of the CITY or its assigned staff to monitor the AGREEMENT/CONTRACT. |
| CLARTS | Central Los Angeles Recycling and Transfer Station located at 2201 E. Washington Blvd. Los Angeles, CA 90021. |
| COLLECTION HOLIDAYS | New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas, and other holidays officially observed by the CITY, and on which holidays the CITY does not collect CITY solid waste. |
| CONTAMINANTS/ CONTAMINATION | <p>Materials that are not ORGANIC WASTE, including but not limited to the following:</p> <ul style="list-style-type: none"> ● Glass ● Metal ● Plastic ● Bioplastics (whether ASTM D6400 or not), including but not limited to compostable plastic bags and compostable food service ware, unless mutually agreed upon between CITY and CONTRACTOR ● Brick ● Ceramic ● Tile ● Rock ● Gravel ● Dirt ● Concrete ● Painted or treated wood ● Wallboard/sheet rock/drywall ● Construction and demolition debris ● Dead animals ● Unpainted and untreated wood waste such as pallets, packing crates, and scrap lumber ● Horse or other manure |
| CONTRACT DATE | December 1, 2022. |
| CONTRACT YEAR | The period January 1-December 31. CONTRACT YEAR 1 means December 1, 2022-December 31, 2023, CONTRACT YEAR 2 means January 1-December 31, 2024, etc. |

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| CONTRACTOR'S FACILITY | Recology Blossom Valley Organics - South (RBVOS) 6061 North Wheeler Ridge Road Lamont, CA 93241 |
| CONTAMINATION FEE | Fee charged for the disposal or processing of an inbound REFUSE LOAD. |
| CONTRACTOR | Recology Blossom Valley Organics - South, a California corporation. |
| CONTRACTOR PROJECT MANAGER | The CONTRACTOR'S designated representative for all issues related to this CONTRACT. |
| EXECUTION DATE | The date on which the CONTRACT/ AGREEMENT is signed by the President of the BOARD. |
| FOOD MATERIAL | Material that was acquired for animal or human consumption and source-separated from the municipal solid waste stream. Food Material includes, but is not limited to, fruits, vegetables, dairy, meats and fish (including bones), coffee grinds, and tea bags. Food Material also includes food-soiled paper products. |
| FOOD-SOILED PAPER PRODUCTS | Paper that has come in contact with food or liquid, including, but not limited to, napkins, newspaper, paper plates, paper towels, paper egg cartons, paper bags, pizza boxes, and milk cartons. |
| GREEN MATERIAL | Plant material that has been source-separated from the municipal solid waste stream, and includes, but is not limited to, yard trimmings (grass, weeds, leaves, and tree branches), and clean untreated wood. |
| GROSS TON | Load weight consisting of material and contaminants. |
| GROSS WEIGHT | The weight of the vehicle or other container including any loaded materials. |
| HORSE MANURE | A combination of horse feces, bedding material such as straw, sawdust, and wood shavings, and spilled feed. |
| HOUSEHOLD HAZARDOUS WASTE (HHW) | Those wastes resulting from products commonly purchased by the general public for household use which, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or |

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| | potential hazard to human health or the environment when improperly treated, disposed, or otherwise managed. |
| LASAN | The LA Sanitation & Environment of the Department of Public Works, of the City of Los Angeles. |
| MARKETING | The promotion and sale of finished products. |
| MBE/WBE/SBE/ EBE/DVBE/OBE | Minority / Women / Small / Emerging / Disabled Veteran / Other Business Enterprises. |
| MONITORING | The act of observing, documenting, and reporting on all project-related activities. |
| NET WEIGHT | The difference between GROSS WEIGHT and TARE WEIGHT. |
| OPERATING DAY | Any calendar day for which the CONTRACTOR is obligated, pursuant to the AGREEMENT/CONTRACT, to open the facility to receive ORGANIC WASTE from CITY. |
| ORGANIC WASTE | Source-separated GREEN MATERIAL, FOOD MATERIAL, and FOOD-SOILED PAPER PRODUCTS collected from single-family residences through the CITY's residential curbside collection program (i.e., green bin program). |
| PROCESSING | The conversion of ORGANIC WASTE into a product by means of mechanical processing such as chipping, screening, grinding, sizing, mulching; biological processing such as composting, co-composting, anaerobic digestion/co-digestion, fermentation; thermal processing such as pyrolysis and gasification, for the production of electricity, heat, alternative fuels, renewable energy, or other beneficial products. |
| REFUSE LOAD | A load of ORGANIC WASTE that contains more than fifteen percent (15%) total CONTAMINATION by weight, more than five percent (5%) manure by weight, or more than one percent (1%) glass by weight, and that contains no UNPERMITTED WASTE. |
| RFP | Request for Proposals. |

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| SUBCONTRACTOR | Any contractor who is subcontracted by the CONTRACTOR to perform any of CONTRACTOR's obligations under the CONTRACT. |
| TARE WEIGHT | The weight of an empty vehicle or container. |
| TON | Equal to 2,000 pounds. |
| TPD | Tons per day (on a five (5) day per week basis). |
| TRANSFER | The process of transferring material from collection vehicles to larger trucks before delivering it to the CONTRACTOR's facility. |
| UNPERMITTED WASTE | Waste which, by reason of its composition or characteristics, is (a) a toxic or hazardous substance, or hazardous waste, regulated under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6902 et seq., as amended (including, but not limited to, amendments thereto made by the Solid Waste Disposal Act Amendments of 1980), and related federal, State of California, and local laws and regulations; the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as amended, and related federal, State of California, and local laws and regulations; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., as amended, and regulations promulgated thereunder; or in any future additional, substitute, or successor federal, State of California or local laws and regulations pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; (b) infectious medical waste resulting from medical procedures which may cause or is capable of causing disease, including body fluids, laboratory cultures, pathological waste and sharps; (c) any waste that contains a radioactive material, the storage or disposal of which is subject to State of California or federal regulation; or (d) listed as unacceptable waste in any of the operating permits (Solid Waste Facility Permit, Waste Discharge Requirements, etc.) of CONTRACTOR'S FACILITY or the landfill where CONTRACTOR disposes of residual material. |

Words in the plural form shall include the singular, and vice versa, and words imparting the masculine gender shall include the feminine. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 3 – PROJECT DESCRIPTION

LASAN is responsible for the collection of residential municipal solid waste from over 750,000 single family residences and small apartment complexes of four (4) units or less. On a daily average, LASAN collects approximately 800 tons of recyclable material, approximately 1,762 tons of yard trimming material, and approximately 3,600 tons of refuse material.

LASAN will utilize Recology's Blossom Valley Organics South facility. The following are the project descriptions:

- 3.1 The delivery of ORGANIC WASTE by the CITY to the CONTRACTOR'S FACILITY from the Los Angeles' curbside residential collection program.
- 3.2 The receipt and acceptance of the ORGANIC WASTE by the CONTRACTOR at the CONTRACTOR'S FACILITY per Article 4 Section 4.4.
- 3.3 The CONTRACTOR'S PROCESSING of the delivered materials (except CONTAMINATION) into beneficial products by means of mechanical processes including, but not limited to chipping, screening, cleaning, grinding, sizing, mulching; and biological processes including, but not limited to anaerobic digestion and composting.
- 3.4 The CONTRACTOR'S MARKETING of beneficial products derived from the CITY'S delivered ORGANIC WASTE.

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

- 4.1 The CONTRACTOR shall perform the services described in Article 4.4. The CONTRACTOR shall perform such work with a degree of skill and diligence normally employed by competent contractors performing the same or similar services.
- 4.2 The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.
- 4.3 Maintenance of Records

The CONTRACTOR shall maintain all records, including records of financial transactions, 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 by authorized CITY personnel or the CITY'S representatives at any time. 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.

4.4 Scope of Services

Services shall consist of the following:

4.4.1 Hours of Operation

The CONTRACTOR shall accept deliveries of ORGANIC WASTE collected by the CITY at the CONTRACTOR'S FACILITY between the hours of 6:00 AM and 6:00 PM, Monday through Friday except on a COLLECTION HOLIDAY. For any week in which a COLLECTION HOLIDAY occurs Monday through Friday, the CONTRACTOR'S FACILITY shall remain open to accept such deliveries from 6:00 AM to 6:00 PM on the Saturday following the COLLECTION HOLIDAY. The CONTRACTOR agrees that, if mutually agreed by CITY and CONTRACTOR, the CONTRACTOR'S FACILITY shall remain open to accept such deliveries at times other than those delineated above within regulatory permit restrictions applicable to the facility.

4.4.2 PROCESSING Capacity

Subject to the maximum annual tonnage set forth below, the CONTRACTOR shall be responsible for receiving a maximum of 1,500 GROSS TONS per day (tpd) of ORGANIC WASTE delivered by CITY to the Recology Blossom Valley Organics - South (RBVOS) facility.

Notwithstanding the foregoing or any other provision, CONTRACTOR shall not be required to accept more than 390,000 GROSS TONS of ORGANIC WASTE per CONTRACT YEAR in CONTRACT YEAR 1 and CONTRACT YEAR 2 of this AGREEMENT. For CONTRACT YEAR 3, and each CONTRACT YEAR thereafter, the maximum number of GROSS TONS of ORGANIC WASTE that CONTRACTOR shall be required to accept shall equal 115% of the actual number of GROSS TONS of ORGANIC WASTE that CITY delivered to CONTRACTOR'S FACILITY in the prior CONTRACT YEAR, provided, however, that under no circumstances shall CONTRACTOR be required to accept more than 390,000 GROSS TONS of ORGANIC WASTE in any CONTRACT YEAR.

If CITY enters into a contract with another company for the collection and/or processing of ORGANIC WASTE, and such company delivers the ORGANIC WASTE to CONTRACTOR (e.g. pursuant to a separate bilateral agreement

between such company and CONTRACTOR), then the tonnage of such ORGANIC WASTE delivered to CONTRACTOR shall be counted towards the maximum GROSS TONS per day and per year that CONTRACTOR is required to accept, as set forth above (but shall not affect the minimum GROSS TONS that CITY is required to deliver, as set forth below).

If mutually agreed by CITY and CONTRACTOR, volumes in excess of those set forth above may be accepted at CONTRACTOR'S FACILITY under this AGREEMENT.

CITY shall deliver to CONTRACTOR'S FACILITY a minimum yearly tonnage of 130,000 GROSS TONS of ACCEPTABLE ORGANIC WASTE per year under this AGREEMENT. The minimum monthly tonnage delivered by CITY will average approximately 10,833 GROSS TONS per month, but both the CONTRACTOR and the CITY acknowledge that there will be seasonal fluctuations.

If CITY fails to deliver to CONTRACTOR at least 130,000 GROSS TONS of ACCEPTABLE ORGANIC WASTE under this AGREEMENT in each CONTRACT YEAR during the term of this AGREEMENT, then (i) CONTRACTOR shall not be required to make the \$50,000 payment required by Section 4.4.6.6 for that CONTRACT YEAR, and (ii) CONTRACTOR may terminate this AGREEMENT upon ninety (90) days' prior written notice to CITY.

4.4.3 Receipt of ORGANIC WASTE

The CONTRACTOR shall be responsible for receiving ORGANIC WASTE from CITY collection vehicles and/or CITY transfer trailers (operating under CITY contract) at the CONTRACTOR'S FACILITY during permitted hours of operation.

4.4.4 Title to Delivered Materials

Upon acceptance of the materials at the CONTRACTOR'S FACILITY per Section 4.4.3 above, the CONTRACTOR shall assume full title to and complete responsibility for the materials delivered by the CITY or its contractors, excluding UNPERMITTED WASTE (which shall be handled as provided in Section 4.4.7).

4.4.5 PROCESSING of Material

The CONTRACTOR shall be responsible for PROCESSING received ORGANIC WASTE into beneficial products by means of mechanical processes including, but not limited to chipping, screening, cleaning, grinding, sizing, mulching; and biological processes including, but not limited to anaerobic digestion and composting. CONTRACTOR shall be responsible for ensuring that the PROCESSING of ORGANIC WASTE, and the resulting beneficial products,

comply with CONTRACTOR'S permits and APPLICABLE LAWS.

4.4.6 Contamination Removal

4.4.6.1 The CONTRACTOR shall be responsible for accepting loads of ACCEPTABLE ORGANIC WASTE.

If a contamination analysis performed pursuant to Section 4.4.6.5 determines that incoming loads are REFUSE LOADS, then all incoming loads after such analysis shall be designated as REFUSE LOADS, until a subsequent contamination analysis determines that incoming loads are ACCEPTABLE ORGANIC WASTE.

In addition, during any period for which the contamination analysis performed pursuant to Section 4.4.6.5 has determined that incoming loads are ACCEPTABLE ORGANIC WASTE, CONTRACTOR may nevertheless designate individual loads as REFUSE LOADS, if, upon CONTRACTOR's visual inspection of the untipped load, the load appears to be a REFUSE LOAD.

CONTRACTOR may either process or dispose of a REFUSE LOAD, at CONTRACTOR's option. This applies regardless of the method used to designate the REFUSE LOAD (i.e. contamination analysis or visual inspection).

Before disposing of an individual REFUSE LOAD identified by visual inspection as provided above, or mixing it with other loads intended for landfill disposal, the following procedure shall be followed. CONTRACTOR shall notify the CITY PROJECT MANAGER of the CONTAMINATION occurrence, and include with the notification a photograph of the CONTAMINATION and the truck number and driver name. The CITY PROJECT MANAGER shall have two (2) hours from such notification to approve or disapprove disposal of the load, either based on the information provided by CONTRACTOR, or by in-person inspection by the CITY PROJECT MANAGER or its representative. Such approval shall not be unreasonably withheld. If the CITY PROJECT MANAGER or its representative does not approve or disapprove disposal of the load within two (2) hours of being notified of the occurrence, the CONTRACTOR may dispose of the load and/or mix it with other loads intended for landfill disposal. For clarity, the procedure described in this paragraph shall not be followed during any period for which the contamination

analysis performed pursuant to Section 4.4.6.5 has determined that all incoming loads are REFUSE LOADS.

- 4.4.6.2 All loads designated as REFUSE LOADS shall be charged to the CITY according to the rate for CONTAMINATION FEE (Table 1 of Article 11), regardless of the method used to designate the REFUSE LOAD, and regardless of whether CONTRACTOR opts to dispose of or process the load.

If CONTRACTOR opts to dispose of the load, the CONTAMINATION FEE for disposal of a REFUSE LOAD shall apply. If CONTRACTOR opts to process the load, the CONTAMINATION FEE for processing of a REFUSE LOAD shall apply.

REFUSE LOADS and loads that otherwise do not constitute ACCEPTABLE ORGANIC WASTE (e.g. because they contain UNPERMITTED WASTE) shall be invoiced on a separate line item from loads of ACCEPTABLE ORGANIC WASTE.

- 4.4.6.3 CONTAMINANTS removed (including oversized material) must be disposed of at a permitted REFUSE DISPOSAL FACILITY.

- 4.4.6.4 CITY shall ensure that outbound material from the transfer/drop-off station meets regulatory CONTAMINATION levels as set-forth in APPLICABLE LAWS. The final beneficial product must also meet regulatory levels as set-forth in APPLICABLE LAWS.

- 4.4.6.5 Once during each six (6) month period (or less frequently, if mutually agreed), a contamination analysis shall be performed at the CONTRACTOR'S FACILITY to determine the CONTAMINANT tier of the incoming ORGANIC WASTE (i.e., 0-5%, 6-10%, 11-15%, or REFUSE LOAD). In addition, the CONTRACTOR may undertake a contamination analysis at other times following five (5) days advance written or telephonic notice to the CITY PROJECT MANAGER. The CONTRACTOR shall not charge the CITY any expenses related to the performance of these contamination analyses. The CITY PROJECT MANAGER or designated CITY representative shall be permitted by the CONTRACTOR to observe the contamination analysis performed by the CONTRACTOR. Over a five-day period, CONTRACTOR shall select one (1) representative load per day of ORGANIC WASTE for analysis, shall select a representative sample of material from that load (at least 200 lbs.), and shall floor-sort the sample. ORGANIC WASTE and CONTAMINANTS removed

from the material shall be weighed on certified scales and calculations performed to determine the average weight percentage of glass, manure and other CONTAMINANTS in the five (5) samples. The results will be used to determine the CONTAMINANT tier (Table 1) to be charged for ORGANIC WASTE for the succeeding six (6) month period (i.e., 0-5%, 6-10%, 11-15%, or REFUSE LOAD). CITY will review and verify the characterization prior to approval.

In the event that the CONTRACTOR'S contamination analysis for the incoming loads is in a CONTAMINANT tier higher than the CONTAMINANT tier used for the prior six (6) month period, or the analysis shows that the average weight percentage of glass is between 0.5% and 1.0%, the CITY and the CONTRACTOR agree to meet in good faith regarding methods to minimize the amount of inbound contamination and potential improvements to PROCESSING at CONTRACTOR'S FACILITY, with the goal of maximizing the amount of material diverted from landfill disposal. Any such improvements would need to be mutually agreed with appropriate compensation to CONTRACTOR.

In the event that CONTRACTOR's biannual contamination analysis shows that the incoming loads are REFUSE LOADS, CONTRACTOR agrees to perform an additional contamination analysis three (3) months after the biannual analysis, to measure the CITY's efforts in reducing contamination. The additional contamination analysis will then be used to determine the CONTAMINANT tier (Table 1) to be applied for the remaining three (3) month period until the next biannual contamination analysis is conducted.

The following examples are provided to give guidance to the parties in administering the above provisions:

Example 1. If the contamination analysis shows a percentage of CONTAMINANTS in the 0-5% tier for a given six (6) month period, and the contamination analysis for the subsequent six (6) month period shows a percentage of CONTAMINANTS in the same tier, then in the latter six (6) month period, CITY would continue to be charged at the 0-5% tier rate, and no further action would be required.

Example 2. If the contamination analysis shows a percentage of CONTAMINANTS in the 0-5% tier for a given six (6) month period, and the contamination analysis for the subsequent six (6) month period shows a percentage of CONTAMINANTS in the 6-

10% tier, then in the latter six (6) month period, CITY would be charged at the 6-10% tier rate, and the parties would meet and confer as to methods to minimize the amount of inbound contamination.

Example 3. If the contamination analysis shows a percentage of CONTAMINANTS in the 6-10% tier for a given six (6) month period, and the contamination analysis for the subsequent six (6) month period shows a percentage of CONTAMINANTS in the over 15% tier, then in the first three (3) month period, CITY would be charged at the above 15% tier rate, and an additional contamination analysis would be conducted at that time to determine the tier rate for the remaining (3) month period.

(Note: All 3 examples assume the contamination analyses show less than five percent (5%) manure, less than one percent (1%) glass, and no UNPERMITTED WASTE.)

- 4.4.6.6 The CONTRACTOR shall pay LASAN \$50,000, in the form of a check, due every CONTRACT YEAR for the remaining life of the AGREEMENT, provided that CITY meets the minimum tonnage commitment set forth in Section 4.4.2 for that CONTRACT YEAR. If payable, the payment shall be due 30 days after the end of the CONTRACT YEAR, with the payment for the first CONTRACT YEAR being due January 30, 2024 . The check shall be made payable to the City of Los Angeles, Department of Public Works, Los Angeles Sanitation. This annual payment shall be allocated to the LASAN Contamination Reduction Program and shall support routine inspections of residential containers, provide for the dissemination of information regarding correct container usage and recycling procedures, and encourage contamination reduction. If CITY fails to meet the minimum tonnage commitment set forth in Section 4.4.2 in any CONTRACT YEAR, then CONTRACTOR shall not be required to make the \$50,000 payment for that CONTRACT YEAR.

4.4.7 MONITORING of Materials and Exclusion of UNPERMITTED WASTE

4.4.7.1 Responsibilities

The CONTRACTOR shall not be used for the handling, transportation, storage, or disposal of UNPERMITTED WASTE. Neither the CITY's contractors nor the CITY shall allow the delivery of UNPERMITTED WASTE to the CONTRACTOR'S FACILITY. In accordance with CONTRACTOR'S FACILITY's permits and APPLICABLE LAWS, the CONTRACTOR shall

diligently monitor deliveries of material delivered to the CONTRACTOR'S FACILITY to mitigate the potential of an inadvertent delivery of UNPERMITTED WASTE. Delivery to or acceptance at CONTRACTOR'S FACILITY of UNPERMITTED WASTE shall not by itself evidence CONTRACTOR'S failure to comply with the preceding sentence.

Copies of CONTRACTOR'S current Load Check Program, procedures and protocols are included in Appendix A. CITY agrees to comply with all such procedures and protocols including but not limited to the CONTRACTOR'S FACILITY Load Check Program, procedures and protocols as they are currently written and as they may be modified in the future. CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than 30 CALENDAR DAYS from such change.

If CONTRACTOR discovers that UNPERMITTED WASTE has been delivered to the CONTRACTOR'S FACILITY by the CITY or its contractors, CONTRACTOR shall promptly contact the CITY PROJECT MANAGER by telephone and electronic mail, and provide written notice to the CITY and if legally required to other appropriate governmental authorities. Prompt contact by telephone and electronic mail shall be made within two (2) hours from the discovery of UNPERMITTED WASTE. Written notice shall be transmitted within two (2) CALENDAR DAYS from the discovery of UNPERMITTED WASTE. In as expeditious manner as possible, CONTRACTOR shall clean-up and/or remove the UNPERMITTED WASTE from the CONTRACTOR'S FACILITY, transport, and dispose of such waste at an appropriate facility permitted to handle such UNPERMITTED WASTE in accordance with APPLICABLE LAWS.

4.4.7.2

Costs and Liabilities

CONTRACTOR shall pay all the costs incurred in MONITORING UNPERMITTED WASTE pursuant to Section 4.4.7 of this Article. Subject to CITY review and approval, not to be unreasonably withheld, CITY shall reimburse the direct costs of cleaning up, removing, transporting, and disposing UNPERMITTED WASTE delivered to the CONTRACTOR'S FACILITY with proper cost substantiation, and provided the CONTRACTOR is able to demonstrate to CITY's reasonable satisfaction that the CITY or its contractors delivered such UNPERMITTED WASTE. CITY shall not reimburse the CONTRACTOR for, nor hold harmless, indemnify, nor defend the

CONTRACTOR against any claims, demands, suits, damages, penalties, charges, judgments, liabilities, or losses of any kind, to the extent resulting from any negligent acts or omissions of the CONTRACTOR which relate to the management of UNPERMITTED WASTE.

4.4.8 MARKETING of Beneficial Products

- 4.4.8.1 ORGANIC WASTE shall not be used as Alternative Daily Cover (ADC) at a landfill or solid waste disposal facility unless prior authorization is received from the CITY.
- 4.4.8.2 The CONTRACTOR shall be responsible for ensuring that sound, useful, and beneficial products be produced from the ORGANIC WASTE received from the CITY, and that a market is procured for the total amount of finished products, including but not limited to soil amendment, dust suppressants, fertilizer, bulking agents, co-compost, compost and/or mulch, topsoil, seed cover, feedstock for resource/energy recovery processes or constituents for goods made from a recycling process.
- 4.4.8.3 The CONTRACTOR shall be responsible for ensuring that the production and marketing of the products shall comply with all APPLICABLE LAWS, including but not limited to those laws regarding the herbicide Clopyralid, insecticide Bifenthrin, and the insect Asian Citrus Psyllid.
- 4.4.8.4 On or before January 1 of each CONTRACT YEAR, CONTRACTOR shall submit a written offer to CITY to sell finished product to CITY at the then-applicable market price. The offer shall be for a number of tons of finished product equal to fifty percent (50%) of the number of tons of ACCEPTABLE ORGANIC WASTE delivered by CITY in the previous CONTRACT YEAR, but may be more if CONTRACTOR wishes. On or before the March 1 following CONTRACTOR'S offer, CITY shall respond to CONTRACTOR'S offer in writing, indicating the number of tons it wishes to purchase, if any. If CITY does not respond by March 1, the offer shall lapse and CONTRACTOR shall have no further obligation to sell finished product to CITY for that CONTRACT YEAR. If CITY opts to purchase no finished product, or less than the total amount offered by CONTRACTOR, the remainder shall not carry over to subsequent CONTRACT YEARS. CITY may either use its own vehicles or those of its third-party contractors to transport finished product from CONTRACTOR'S FACILITY, or, if mutually agreed, CONTRACTOR shall arrange for transport by a third party

hauler, and CITY shall reimburse CONTRACTOR for the cost of such transport. All finished product that CITY elects to purchase in a given CONTRACT YEAR must be removed from CONTRACTOR'S FACILITY before the end of that CONTRACT YEAR, otherwise CONTRACTOR may charge CITY for the finished product that CITY elected to purchase but did not remove. CITY shall use good faith efforts to spread out the deliveries evenly over the March-December period. CONTRACTOR shall invoice CITY monthly for finished product removed in the previous month, plus any transport costs if CONTRACTOR arranged transport. Such amounts may be included in CONTRACTOR's other invoices under this AGREEMENT.

4.4.9 CERTIFIED WEIGH STATION and WEIGHT TICKETS

4.4.9.1 The CONTRACTOR is responsible for operating and maintaining a CERTIFIED WEIGH STATION with computerized weighing system, and having scales for inbound and outbound weighing of CITY trucks and transfer trailers. If the CONTRACTOR's weighing system is capable of recording, storing and retrieving TARE WEIGHTS, outbound vehicle weighing shall not be necessary. Routine verification of CITY vehicle and/or CITY transfer vehicle TARE WEIGHT recordings shall be conducted by a CITY representative for accuracy. The CONTRACTOR shall be responsible for determining the total tonnage of material received at the CONTRACTOR'S FACILITY. A WEIGHT TICKET shall be given to each CITY driver delivering a load of material to the CONTRACTOR'S FACILITY.

4.4.9.2 The CONTRACTOR shall have all CITY collection trucks and/or CITY transfer vehicle officially weighed prior to each truck depositing its load at the CONTRACTOR'S FACILITY. All WEIGHT TICKETS shall have the GROSS WEIGHT, date and time prior to unloading; the TARE WEIGHT, the net weight for each trip, and the truck number of the appropriate CITY truck. The CONTRACTOR'S invoice to CITY shall include a list of all WEIGHT TICKETS for material accepted at the CONTRACTOR'S FACILITY during the time period for which the invoice is calculated. The CITY shall not pay CONTRACTOR for that portion of material delivered for which a list of WEIGHT TICKETS are not included with the invoice.

Copies of WEIGHT TICKETS shall be stored by the CONTRACTOR throughout the duration of this CONTRACT and shall be made available to the City upon request within five (5)

days of such request.

- 4.4.9.3 To the extent that all the CERTIFIED WEIGH STATION scales are not operating or cannot be used, the CONTRACTOR shall notify the CITY within one hour of non-operation and shall use every effort to minimize the period during which CERTIFIED WEIGH STATION scales are not operable. If the permanent CERTIFIED WEIGH STATION scales are not functioning for more than five (5) days, the CONTRACTOR shall use a portable scale until the permanent scales are operable.

Pending installation of the portable scale or repair of the permanent scales, the CONTRACTOR shall estimate the quantity of material delivered at the CONTRACTOR'S FACILITY on the basis of truck and transfer trailer volumes, TARE WEIGHT, CONTRACTOR'S FACILITY'S weight records, and data obtained through historical information.

The CITY shall have the right, at its expense, to station its representative at any motor vehicle scale, or the scale house at the CONTRACTOR'S FACILITY during the facilities operational hours defined in Article 4 Section 4.4.1, to monitor weighing operations, and to verify recorded TARE WEIGHTS of CITY delivery vehicles and scale accuracy.

- 4.4.9.4 All WEIGHT TICKETS shall include the following printed legend:

WEIGHMASTER CERTIFICATE

THIS IS TO CERTIFY that the following described commodity was weighed, measured, or counted by a weighmaster, whose signature is on the certificate, who is a recognized authority of accuracy, as prescribed by Chapter 7 (commencing with Section 12700) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the California Department of Food and Agriculture.

- a. There shall also appear on each WEIGHT TICKET, and all copies thereof, the printed name of the principal weighmaster as it appears on the license. Note: any reference to Public, Private, or Public at Large shall be removed.
- b. All information contained on the WEIGHT TICKET shall be clear and legible. Each WEIGHT TICKET must be numbered consecutively.

c. The complete signature of the weighmaster who determined each weight, measure or count shall appear on the WEIGHT TICKET. The name of a weighmaster may be imprinted electronically on the WEIGHT TICKET in lieu of a handwritten signature, if the electronically imprinted name is that of the weighmaster who weighed, measured or counted the commodity or that of another weighmaster pursuant to California Business and Professions Code.

4.4.10 Site Requirements

The CONTRACTOR shall maintain control of the CONTRACTOR'S FACILITY for the term of CONTRACT. The CONTRACTOR shall provide and maintain adequate restroom facilities for CITY use at the CONTRACTOR'S FACILITY. The CONTRACTOR shall also provide and maintain a clean out area for CITY vehicles.

CONTRACTOR'S FACILITY must be of sufficient permitted capacity and operationally capable of providing the throughput required to accommodate the CITY deliveries required by this AGREEMENT without creating a nuisance or violating APPLICABLE LAWS.

CONTRACTOR'S FACILITY shall be compliant under the CITY's recycLA Facility Certification program for the term of CONTRACT. Any change in the requirements of the program shall be treated as a change in APPLICABLE LAW.

4.4.11 Truck Turn-Around Time and Queuing

The CONTRACTOR shall enable the turn-around time period for the CITY'S vehicles, from the time the vehicles enter CONTRACTOR'S FACILITY, to the time they exit after weighing their loads and dumping their loads, to be no longer than 40 minutes. The CITY may deliver material loads to facilities other than the CONTRACTOR'S FACILITY if time delays (exceeding the designated turn-around time period of 40 minutes) are being experienced at the CONTRACTOR'S FACILITY. To the extent CITY delivers loads of ACCEPTABLE ORGANIC WASTE to other facilities due to time delays at CONTRACTOR'S FACILITY, such loads shall be counted towards CITY'S minimum tonnage commitment set forth in Section 4.4.2.

4.4.12 Designated CONTRACTOR'S FACILITY

Except as provided in Section 4.4.13 or in the event of Force Majeure, CITY trucks are not to be diverted by the CONTRACTOR to other transfer/PROCESSING sites without the prior written consent of the CITY, which

consent shall not be unreasonably withheld.

4.4.13 Facility Maintenance

The CONTRACTOR shall be responsible for providing and maintaining necessary personnel and equipment that are required to receive material from the CITY'S vehicles at the CONTRACTOR'S FACILITY. The CONTRACTOR shall perform all mitigation measures and MONITORING at the CONTRACTOR'S FACILITY as required by all APPLICABLE LAWS.

The CONTRACTOR shall notify the CITY, in writing, of any changes in permit status, together with a copy of such status change, received by the CONTRACTOR for CONTRACTOR'S FACILITY, if such permit status change would prevent CONTRACTOR from performing its obligations under this AGREEMENT. Such notice to the CITY shall be made within two (2) OPERATING DAYS of the CONTRACTOR'S receipt of such status change.

4.4.14 Spill Prevention

All trucks used by CONTRACTOR for the transportation of CONTAMINANTS from the CONTRACTOR'S FACILITY to the REFUSE DISPOSAL FACILITY shall be tarped, sealed, and secured before leaving the CONTRACTOR'S FACILITY. In the event of a spill caused by CONTRACTOR, the CONTRACTOR must remove any spillage or other accidental deposit of materials or CONTAMINANTS, and clean the affected area.

The CONTRACTOR shall submit a written, detailed, and complete Spill Response Plan to the CITY ten (10) business days prior to receiving the first truckload of material under this AGREEMENT. Thereafter, the Spill Response Plan shall be submitted to the CITY upon request. Such Spill Response Plan shall comply with all APPLICABLE LAWS.

4.4.15 Operating Resources

The CONTRACTOR shall employ staff, equipment, materials, supplies and services to operate, maintain, and manage the CONTRACTOR'S FACILITY in accordance with accepted skills and practices of the waste management industry.

4.4.16 Workplace Safety Requirements

CONTRACTOR shall be responsible for abiding by APPLICABLE LAWS regarding workplace health and safety. The CONTRACTOR shall provide the CITY access to or printed copies of such health and safety programs and records, upon the CITY'S request, provided the CITY agrees to keep confidential and not disclose any such programs and records that CONTRACTOR determines

constitute proprietary or confidential information.

4.4.17 Adherence to APPLICABLE LAWS

The CONTRACTOR certifies that all PROCESSING activities conducted at its CONTRACTOR'S FACILITY will comply with applicable local, state and federal laws, rules, regulations, and orders. The CONTRACTOR further certifies that all finished products produced at CONTRACTOR'S FACILITY will meet all applicable local, state, and federal specifications. The CITY will not be held responsible for, and disclaims any resulting liability thereof, for the CONTRACTOR'S failure to comply with applicable local, state, and federal laws, rules, regulations and orders, the result of which is not, in whole or in part, due to the negligence or willful misconduct of the CITY, its agents or employees.

4.4.18 Site Inspection

The CONTRACTOR agrees that the CONTRACTOR'S FACILITY and equipment used by CONTRACTOR for the performance of this AGREEMENT are subject to reasonable inspections, during normal working hours, by CITY personnel or its agents without prior notice. Said inspections shall be for the purpose of ensuring compliance with the terms of this AGREEMENT and APPLICABLE LAWS, CITY personnel must always be accompanied by the CONTRACTOR while on-site.

4.4.19 Monthly Electronic Reports

The CONTRACTOR shall submit Monthly Electronic Reports corresponding to the time periods for submitting invoices stated in Article 11 Section 11.6. The format of the monthly electronic reports shall conform to the sample Monthly Electronic Report provided in Appendix B. The format or content of said reports may be modified by mutual agreement. The CONTRACTOR shall submit such reports by email or electronic file transfer in PDF, Word, Excel or other mutually agreed file format. Monthly reports submitted to the CITY PROJECT MANAGER must contain the following information:

- A. Name of CONTRACTOR'S FACILITY where the load was received
- B. CITY Truck Number for all CITY trucks
- C. List of WEIGHT TICKET(s) information: for each CITY load including GROSS WEIGHT, truck TARE WEIGHT, net weight, date and time, and truck number
- D. Total number of loads received per week
- E. Total weekly tonnage of material received at the CONTRACTOR'S FACILITY
- F. Total number of rejected loads due to high level of contamination, manure, or glass, or presence of UNPERMITTED WASTE

- G. As available, a copy of CONTRACTOR'S quarterly Recycling and Disposal Reporting System (RDRS) report
- H. Summary of total Year-To-Date for items D, E and F listed above

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

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

Name: Carl Mennie

Address: 1351 Pacheco Pass Highway, Gilroy, CA 95020

Telephone: 650-436-3400

E-mail: cmennie@recology.com

Name: Sharbel Eid

Address: 6061 North Wheeler Ridge Road, Lamont, CA 93241

Telephone: 818-454-5243

E-mail: seid@recology.com

CONTRACTOR may change such personnel or their contact information by written notice to the CITY.

- 5.2 Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT.
- 5.3 The CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT 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 and paying all SUBCONTRACTORS. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request replacement of any SUBCONTRACTOR. 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 any SUBCONTRACTOR.

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

The CITY designates James Roska 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 PROJECT MANAGER may designate an assistant to act in his/her stead. The CITY may designate another CITY employee to succeed James Roska as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

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

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall commence on the EXECUTION DATE or December 1, 2022 (CONTRACT DATE), whichever is sooner, and shall continue for five (5) years, through December 31, 2027, unless terminated as provided under Article 9. The term of this AGREEMENT may be extended for one (1) or two (2) five (5)-year renewal terms by mutual written agreement of the parties, unless terminated as provided under Article 9, or extended by a duly approved amendment to this AGREEMENT and signed by the parties.

In addition to the two (2) five (5)-year renewal terms, 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 prior to the end of either the initial five (5)-year term if the CITY elects not to renew, or the end of the fifteen (15)-year term if the CITY elects to renew, by providing the CONTRACTOR a written notice at least 90 days prior to expiration of the AGREEMENT. To provide sufficient budgeted funds during the period of extension, the CITY shall increase the maximum expenditure amount for services performed by the CONTRACTOR by a maximum of ten percent (10%) of the total CONTRACT cost, it being understood that CITY shall pay for all services provided by CONTRACTOR during the extension period at the then-applicable rates provided for under this AGREEMENT. Notwithstanding the foregoing, either party may terminate the month-to-month relationship upon sixty (60) days' prior written notice to the other party.

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 (NOT APPLICABLE)

ARTICLE 9 – TERMINATION

9.1 Termination for Breach of Contract

- 9.1.1 Except as provided in Article 21, if the CONTRACTOR fails to materially perform any of the provisions of this CONTRACT or so fails to make progress as to endanger timely performance of this CONTRACT, the CITY may give the CONTRACTOR written notice of the default. The CITY'S default notice will provide the CONTRACTOR an opportunity to cure the default and provide a reasonable period to cure the default to the sole satisfaction of the CITY. Additionally, the CITY'S default notice may offer the CONTRACTOR an opportunity to provide the CITY with a plan to cure the default, which shall be submitted to the CITY within a reasonable time period allowed by the CITY. At the CITY'S sole discretion, the CITY may accept or reject the CONTRACTOR'S plan. If the default cannot be cured or if the CONTRACTOR fails to cure within the period allowed by the CITY, then the CITY may terminate this CONTRACT due to the CONTRACTOR'S breach of this contract.
- 9.1.2 If the default under this CONTRACT is due to the CONTRACTOR'S failure to maintain the insurance required under this CONTRACT, the CONTRACTOR shall immediately: (1) suspend performance of any services under this CONTRACT for which insurance was required; and (2) notify its SUBCONTRACTORS of the loss of insurance coverage and the CONTRACTOR'S obligation to suspend performance of services. The CONTRACTOR shall not recommence performance until the CONTRACTOR is fully insured and in compliance with the CITY'S insurance requirements pursuant to this AGREEMENT.
- 9.1.3 If 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, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.1.4 If the CONTRACTOR engages in any dishonest conduct related to the performance or administration of this CONTRACT or violates the CITY'S laws and regulations relating to lobbying, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.1.5 Acts of Moral Turpitude
- a. The CONTRACTOR shall immediately notify the CITY if any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or

fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.

- c. If a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.
- d. Acts of Moral Turpitude are defined as: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.
- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner of ten percent (10%) or more of the voting power or equity interests of CONTRACTOR.

9.1.6 In the event the CITY terminates this CONTRACT as provided in this Section, the CITY may procure, upon such terms and in the manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and the CONTRACTOR shall be liable to the CITY for all of its costs and damages for such services, provided, however, that such liability shall not exceed that provided under applicable principles of California law for breach of contract damages (e.g., CITY shall be required to mitigate damages).

9.1.7 If, after notice of termination of this CONTRACT under the provisions of this Section, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this Section, or that the default was excusable under the terms of this CONTRACT, upon the parties' mutual written confirmation thereof, the rights and obligations of the parties shall be restored to those that that existed before the notice of termination was issued. Within 30 days [or whatever time LASAN deems appropriate] of such mutual confirmation, the CITY shall pay the CONTRACTOR any sums due to the CONTRACTOR under the CONTRACT that were withheld as a result of the notice of termination. To the extent any purported default was an excusable delay as defined in this CONTRACT, Article 21 shall apply.

9.1.8 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.

9.2 In the event that this CONTRACT is terminated, the CONTRACTOR shall immediately notify all SUBCONTRACTORS, and shall notify in writing all other parties contracted with under the terms of this CONTRACT within five (5) working days of the termination. The CITY shall pay the CONTRACTOR any and all sums due to the CONTRACTOR under the CONTRACT, for services performed through the effective date of termination.

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. 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 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 Compensation and Discounts

The CITY shall compensate the CONTRACTOR for the services performed as described in Article 4 herein. Except as otherwise expressly provided in this AGREEMENT (e.g., CITY'S payment of the costs of disposal of UNPERMITTED WASTE, CITY'S payment for transport of finished product purchased by CITY, etc.), the CITY shall compensate the CONTRACTOR on a cost-per-ton basis, which shall be the sole compensation paid to the CONTRACTOR.

The CONTRACTOR agrees that the compensation provided for under this AGREEMENT is all inclusive, and covers all costs of CONTRACTOR in the performance of this AGREEMENT, including but not limited to, all overhead costs, capital costs, permit fees, profits and any and all other costs.

- 11.2 The initial rates payable by CITY to CONTRACTOR for each ton of ORGANIC WASTE accepted by CONTRACTOR at CONTRACTOR'S FACILITY and PROCESSED or DISPOSED (as the case may be), shall be as set forth in Table 1 below. The contamination tier for ORGANIC WASTE (0-5%, 6-10%, 11-15%, or REFUSE LOAD) shall be determined biannually as provided in Section 4.4.6.5. During each six (6) month period, the contamination tier for that period shall be applied to all loads of ORGANIC WASTE delivered by CITY during that period, even if the contamination level for an individual load is higher or lower. However, during any period for which the contamination analysis has determined that all incoming loads should be treated as ACCEPTABLE ORGANIC WASTE, CONTRACTOR may nevertheless designate individual loads as REFUSE LOADS based on visual inspection as provided in Section 4.4.6.1, in which case the CONTAMINATION FEE shall be payable with respect to such load.

| TABLE 1. RBVOS RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, COMPOSTING, AND RESIDUAL DISPOSAL (Effective January 1, 2023) | | | |
|--|-------------------|----------------------|----------------|
| Contamination Tier | Service Fee | Processing Component | TXPT Component |
| 0 to 5% CONTAMINATION by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$44.00 per ton | \$41.40 | \$2.60 |
| 6 to 10% CONTAMINATION by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$55.00 per ton | \$52.40 | \$2.60 |
| 11 to 15% CONTAMINATION by weight 0 to 5% manure by weight 0 to 1% glass by weight | \$65.00 per ton | \$62.40 | \$2.60 |
| REFUSE LOAD (over 15% by weight, over 5% manure by weight, or over 1% glass by weight) PROCESSED | \$83.00 per ton * | \$80.40 | \$2.60 |
| REFUSE LOAD (over 15% by weight, over 5% manure by weight, or over 1% glass by weight) DISPOSED | \$93.23 per ton * | \$90.63 | \$2.60 |

* These rates constitute the CONTAMINATION FEE.

- 11.3 The rates in Table 1 shall be effective as of the CONTRACT DATE, and shall be adjusted as follows.

On July 1, 2023, and each July 1st thereafter for the term of the AGREEMENT, the Processing Component of each rate shall be adjusted by multiplying the then-applicable Processing Component by the annual inflation factor, calculated as follows:

$$IN = (CPI-WST_a) / (CPI-WST_b), \text{ where:}$$

IN = the annual inflation factor;
CPI-WST_a = the published CPI-WST for the May immediately preceding the date of the adjustment;
CPI-WST_b = the published CPI-WST for the May one year prior to CPI-WST_a.

CPI-WST means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, U.S. Department of Labor for Water, Sewer, and Trash Collection Services in U.S. City Average (Series ID CUUR0000SEHG). If such index is discontinued, it shall be replaced by the index that most closely approximates it. The annual inflation factor, IN, shall not exceed six percent (6%) in any given year. The inflation factor (IN) shall not be applied to pass-through taxes, host fees, import fees, governmental fees (TXPT).

If the calculated annual inflation factor would exceed 6% in any given year, but is capped at 6% as provided above, then the excess shall be carried forward and added to the next year's calculated annual inflation factor, to the extent the next year's calculated annual inflation factor is less than 6%. Excess amounts shall be carried forward indefinitely until added to a subsequent year's inflation factor or the AGREEMENT terminates. For example, if in 4 consecutive years the calculated inflation factors were 9%, 7%, 4% and 3%, then, after applying the 6% cap and carrying forward the excess amounts, the inflation factors used to adjust the Processing Component for those same 4 years would be 6%, 6%, 6% and 5%, respectively.

The TXPT Component of each rate represents the portion of the rate that consists of host fees, import fees, governmental fees and regulatory fees (collectively, "GOVERNMENTAL FEES"). If any GOVERNMENTAL FEES are increased or decreased, or if any new GOVERNMENTAL FEES are imposed, the TXPT Component shall be adjusted accordingly, so as to pass through all such fees to the CITY. Such adjustment shall occur at the same time that the GOVERNMENTAL FEE changes or is imposed, provided, however, that CONTRACTOR shall provide the CITY with thirty (30) days prior written notice of any change in GOVERNMENTAL FEES. At present, the only GOVERNMENTAL FEE applicable to this AGREEMENT is the Kern County fee in the amount of \$2.60 per ton.

Each rate set forth in Table 1 consists of a Processing Component and a TXPT Component. If either the Processing Component or the TXPT Component of any rate changes, the total rate shall be adjusted accordingly, at the same time. All references in this AGREEMENT to the rates set forth in Table 1 shall be deemed to refer to such rates as adjusted from time to time in accordance with this AGREEMENT.

- 11.4 Should the CONTRACTOR experience increased costs associated with the services it is providing pursuant to this AGREEMENT, which are outside its control, the

CONTRACTOR may request an increase in the rates paid by the CITY, based on cost substantiation. The CONTRACTOR agrees to provide the CITY with written documentation substantiating its request for any increase in the rates paid by the CITY. The CITY shall have the right to review the documentation and either agree to pay the requested increase, a different negotiated amount, or deny the CONTRACTOR'S request, provided, however, that CITY shall not unreasonably withhold approval of a requested increase in compensation to cover CONTRACTOR'S reasonable increased costs resulting from a change in APPLICABLE LAW. Examples of increased costs outside of the CONTRACTOR'S control (and that also constitute changes in APPLICABLE LAW) include, but are not limited to, changes in regulatory and permitting requirements. 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.

- 11.5 The CITY'S obligation to provide compensation to the CONTRACTOR under this AGREEMENT shall only be to the extent of the CITY appropriation to fund this AGREEMENT. No action, statement or omission of any officer, agent or employee of the CITY shall impose any obligation upon the CITY, such officer, agent or employee of the CITY, except to the extent the CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT. No work shall create an immediate indebtedness nor shall indebtedness arise against the CITY for said work until and unless there is an appropriation of funds to pay for said work. However, if CITY shall appropriate funds for any successive fiscal years, CITY'S obligations shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.

11.6 Invoicing

The CONTRACTOR shall submit to the CITY one copy of each invoice, for services rendered from the first to the end of each calendar month, by the 15th day of the subsequent month. Invoices shall be supported by WEIGHT TICKETS and, in the case of amounts reimbursed by CITY only (e.g. costs of disposing of UNPERMITTED WASTE), other source documents as may be reasonably required by the CITY to establish the amount of such invoices as being acceptable. Payroll documents relative to this AGREEMENT shall be kept by the CONTRACTOR for a period of five (5) years and made available to the CITY upon request, provided that CITY agrees to keep them confidential and not disclose them.

- 11.6.1 If CONTRACTOR uses any SUBCONTRACTORS, a Subcontractor Utilization Report (Schedule B) listing subcontractors, monthly amounts invoiced by each subcontractor, and invoiced amounts paid to date to each firm by the CONTRACTOR, shall be submitted as part of the monthly invoice.

As part of the Subcontractor Utilization Report, CONTRACTOR must provide an explanation for any item that falls short of the planned subcontractor

utilization with specific plans and recommendations for recovering any shortfalls in utilization. No such invoices shall be paid without the Subcontractor Utilization Report (Schedule B). All invoices shall be subject to audit for a period of five (5) years from the termination of this AGREEMENT.

- 11.6.2 The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S personnel for invoice preparation. The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S communication expenses and computer time charges.
- 11.7 The CITY shall review the CONTRACTOR'S invoice(s) and notify the CONTRACTOR in writing of any disputed tonnage or amounts within 60 days of receipt. The total invoice amount less any disputed tonnage or amounts shall be considered approved for payment by the CITY. The CITY shall pay the CONTRACTOR all amounts approved for payment in a timely manner after the CITY PROJECT MANAGER receives the CONTRACTOR'S invoices. In the event of any disputed tonnage or amounts, the parties shall cooperate in good faith to resolve the issue within 60 days of CITY'S notice.
- 11.8 Invoices and supporting documentation shall be submitted electronically to:
- Solid Resources Support Services Project Manager
Attn: James Roska
Email: James.Roska@lacity.org
- 11.9 The CITY shall not be responsible for the payment of invoices initially submitted to the CITY more than 60 days after the last day of the calendar month in which the service was rendered.
- 11.10 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.

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.

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, the 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 of an act, error, or omission in connection with this CONTRACT 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 and set forth in template Form General 146 in Exhibit 03 hereto. The insurance must: (1) conform to the CITY'S requirements set forth in Exhibit 03; and (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 03 hereto); or (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 3 hereto. Exhibit 3 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 an agent or employee of the CITY.

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

ARTICLE 15 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR (NOT APPLICABLE)

ARTICLE 16 – INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, 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 arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT. 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.

ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

ARTICLE 18 – OWNERSHIP AND LICENSE (NOT APPLICABLE)

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 as required under Article 28, which consent shall not be unreasonably withheld.

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 Persons:

Solid Resources Support Services Project Manager
Attn: James Roska
Email: James.Roska@lacity.org
Tel: (213) 485-2988

Solid Resources Support Services Senior Environmental Engineer
Attn: Bernadette Halverson
Email: Bernadette.Halverson@lacity.org
Tel: (213) 485-3634

Solid Resources Support Services Division Manager
Attn: Robert Potter
Email: Robert.Potter@lacity.org
Tel: (213) 485-3825

1149 S. Broadway Suite 500
Los Angeles, CA 90015
Fax: (213) 485-2961

CC: Los Angeles Sanitation Assistant Director
Attn: Alexander E. Helou
1149 S. Broadway Suite 900
Los Angeles, CA 90015

To The CONTRACTOR:

Contact Persons:

Carl Mennie
1351 Pacheco Pass Highway
Gilroy, CA 95020
E-mail: cmennie@recology.com

with a copy to:

Recology Blossom Valley Organics – South
Attn: Legal Department
50 California Street, 24th Floor
San Francisco, CA 94111:

Either party may change its contact information by written notice to the other party given in accordance with this section.

ARTICLE 21 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, changes in APPLICABLE LAW, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier.

In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts to mitigate the damages and reduce the delay caused by the Force Majeure Event.

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

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction. The party against whom a decision is rendered shall be required to pay, in addition to any judgment, all legal costs and attorney's fees incurred by both parties pursuant to the resolution to the matter.

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 hereunder 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 and its performance 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.

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 thereby.

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

Unless otherwise exempted, for the duration of this CONTRACT, the CONTRACTOR shall maintain a 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, not to be unreasonably withheld:

- 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 legal authorizations 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 legal authorizations that relate to the CONTRACTOR'S performance of this CONTRACT.

ARTICLE 30 – BEST TERMS (NOT APPLICABLE)

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 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 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) 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 ORDINANCE 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.

35.2 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

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. As stated in question 8 of RFP Addendum #2, this AGREEMENT is not a “successor contract” under said ordinance.

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 a 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 – LOCAL BUSINESS INCLUSION PROGRAM (NOT APPLICABLE)

ARTICLE 39 – DISCLOSURE ORDINANCES

Unless otherwise exempt in accordance with the provisions of the 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 the 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 04 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 11, 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

Unless otherwise exempt, 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, CONTRACTOR, CONTRACTOR'S principals, and CONTRACTOR'S SUBCONTRACTORS expected to receive at least \$100,000 for performance under the 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 (12) 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 (12) 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 (10) business days if it changes during the twelve-month (12-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 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 14)

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 (NOT APPLICABLE)

ARTICLE 47 – LOCAL BUSINESS PREFERENCE PROGRAM (NOT APPLICABLE)

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 (NOT APPLICABLE)

ARTICLE 50 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164 (NOT APPLICABLE)

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 (NOT APPLICABLE)

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 (NOT APPLICABLE)

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

CITY OF LOS ANGELES

**RECOLOGY BLOSSOM VALLEY
ORGANICS - SOUTH**

By: _____

By: _____
Salvatore M. Coniglio

Title: Commissioner, Board of Public Works

Title: Chief Executive Officer

Date: _____

Date: _____

By: _____

Title: Commissioner, Board of Public Works

Date: _____

**APPROVED AS TO FORM
MICHAEL N. FEUER, City Attorney**

By: _____
Adena Hopenstand

Title: Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Title: Deputy City Clerk

Date: _____

TRANSMITTAL 4

CONTRACT NO. C-XXXXXX

**SERVICE AGREEMENT
BETWEEN**

THE CITY OF LOS ANGELES

AND

**WASTE MANAGEMENT RECYCLING AND DISPOSAL SERVICES OF
CALIFORNIA, INC. DBA WASTE MANAGEMENT**

**FOR
THE RECEIPT, TRANSPORT, PROCESSING, AND BENEFICIAL REUSE OF
ORGANIC WASTE FROM THE CITY OF LOS ANGELES'
RESIDENTIAL CURBSIDE COLLECTION PROGRAM**



**City of Los Angeles
Department of Public Works
Los Angeles Sanitation & Environment**

**Barbara Romero, Director and General Manager
Alex E. Helou, Assistant Director**

**Solid Resources Support Services Division
Robert J. Potter, Division Manager**

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**AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND WASTE
MANAGEMENT RECYCLING AND DISPOSAL SERVICES OF CALIFORNIA,
INC.DBA WASTE MANAGEMENT FOR THE RECEIPT, TRANSPORT,
PROCESSING, AND BENEFICIAL REUSE OF ORGANIC WASTE FROM THE CITY
OF LOS ANGELES' CURBSIDE COLLECTION PROGRAM**

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 Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management, hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

W I T N E S S E T H

WHEREAS, the CITY has a need for contracting services for the receipt, transport, processing, and beneficial reuse of ORGANIC WASTE from the City of Los Angeles' Curbside Collection Program; and

WHEREAS, the Mayor's Sustainable City pLAn sets a goal for LA Sanitation and Environment (LASAN) to divert 90% of all solid waste from the landfills by the year 2025 through source reduction, reuse, and recycling; and

WHEREAS, the Mayor's 2019 Sustainable City pLAn, L.A.'s Green New Deal, set goals for citywide residential food scraps collection by 2021 and 100% diversion of organic waste from landfills by 2028; and

WHEREAS, Senate Bill (SB) 1383 calls for a 50% reduction in statewide organic waste disposal compared to 2014 levels by 2020, and 75% reduction by 2025; and

WHEREAS, LASAN collects residential organics, recyclables, refuse, and horse manure from approximately 750,000 households; and

WHEREAS, LASAN collected approximately 1,762 tons per day of yard trimmings in Fiscal Year 2020-21; and

WHEREAS, recent waste characterizations indicate that approximately 21% of residential landfilled waste (i.e., black bin) is food waste, and over 50% is organic material; and

WHEREAS, it is estimated that a total amount of 3,000 tons per day of organic material is generated in the residential curbside collection program; and

WHEREAS, LASAN has a need for services to transfer, transport, and process residential organic waste (e.g., food waste, yard trimmings, and food-soiled paper) to meet the Mayor's Sustainable City pLAn and SB 1383 goals, and

WHEREAS, PROCESSING services are deemed to be vital to meet the CITY's commitment to divert ORGANIC WASTE from landfills; and

WHEREAS, on October 1, 2021, the Board of Public Works (BOARD) authorized the CITY to distribute a Request for Proposals (RFP) for the receipt, transport, processing, and beneficial reuse of organic waste collected from the City's curbside collection program; and

WHEREAS, on December 22, 2021, the CITY received eight (8) proposals in response to the RFP; and

WHEREAS, Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management (CONTRACTOR) was deemed among the most qualified proposers having the experience and expertise to perform the services as set forth in the RFP; and

WHEREAS, the CONTRACTOR meets the Federal, State, and Local requirements to perform the scope of services required; and

WHEREAS, the services to be provided by CONTRACTOR are of an expert and technical nature; and

WHEREAS, LASAN and the CONTRACTOR are in an existing Contract C-127499 executed on May 9, 2016 and expiring May 8, 2024; and

WHEREAS, such Contract C-127499 will be terminated upon the effectiveness of this AGREEMENT; 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, and/or section headings appearing herein have been inserted for convenience and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, intent or construction of any of the terms or provisions hereof. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or the CONTRACTOR. The singular shall include the plural; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

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:

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| AGREEMENT/CONTRACT | The contractual agreement between the CITY and the selected CONTRACTOR. |
| APPLICABLE LAW | All statutes, rules, regulations, permits, requirements or orders of the United States, State of California, City of Los Angeles, County of Los Angeles, and all other federal, state, regional, county and local government authorities and agencies applicable to the Services under this Agreement. |
| BAVN | Business Assistance Virtual Network. |
| BIODEGRADABLE/ COMPOSTABLE PRODUCTS | Certified biodegradable or compostable products that will break down in an industrial composting process. Such products include, but are not limited to, plates, bowls, cups, etc. |
| BIP | Business Inclusion Program. |
| BIWEEKLY | Frequency of invoicing that occurs every other week (e.g., from the first day to the 15th day of each month and from the 16th day to the end of the month). |
| BOARD | The Board of Public Works of the City of Los Angeles. |
| BUSINESS DAY | Any day except Saturday, Sunday, or any day that the CITY officially observes as a holiday (e.g., New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas). |
| CALENDAR DAY | Each day beginning at 12:01 AM and ending twenty-four (24) hours thereafter at 12:00 AM midnight. |
| CERTIFIED WEIGH STATION | A weigh station in compliance with the weight and measure laws in the California Business and Professions Code. The weigh station shall also bear a seal of approval by a County Sealer of Weights and Measures under the supervision and direction of the Secretary of Food and Agriculture. |
| CERTIFIED WEIGHT TICKETS | Weight tickets issued by CONTRACTOR from a Weigh Station using certified scales indicating the gross weight |

and tare weight of the vehicle or container, and the net weight of the material.

CHANGE IN LAW

The occurrence of any event or change in APPLICABLE LAW specifically set forth below:

(a) The adoption, promulgation, modification, or change in APPLICABLE LAW; or

(b) Any order or judgment of any federal, state or local court, administrative agency or governmental body, if:

(i) Such order or judgment is not also the result of the willful misconduct or gross negligence of the party relying thereon or of any third party for whom the party relying thereon is directly responsible; and

(ii) The party relying thereon, unless excused in writing from so doing by the other party, shall take or have taken, or shall cause or have caused to be taken, all reasonable action in good faith to contest such order or judgment (it being understood that the contesting in good faith of such an order or judgment shall not constitute or be construed as a willful misconduct or grossly negligent action of such party); or

(c) The imposition by a governmental authority or agency of any new or different material conditions in connection with the issuance, renewal, or modification of any PERMIT to the extent that such occurrence is not the result of willful misconduct or gross negligence of the party relying thereon or of any third party for whom the party relying thereon is directly responsible; or

(d) The substantial delay in or failure of a governmental authority or agency to issue any PERMIT, or the suspension or termination of, any PERMIT, provided such substantial delay or failure to issue or the suspension or termination of any PERMIT is not the result of willful misconduct or gross negligence of the party relying thereon or any third party for whom the party relying thereon is directly responsible.

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| 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, 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 manners concerning this document. |
| CITY CAPACITY | The amount of CITY Organic Waste (specified in tons per day) that is to be received, transported, and accepted at the proposed facility. |
| CITY PROJECT MANAGER | A representative of the CITY or its assigned staff to monitor the AGREEMENT/CONTRACT. |
| CLARTS | Central Los Angeles Recycling and Transfer Station located at 2201 E. Washington Blvd. Los Angeles, CA 90021. |
| COLLECTION HOLIDAYS | New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas, and other holidays officially observed by the CITY, and on which holidays the CITY does not collect CITY solid waste. |
| CONTAMINANTS | RESIDUE and materials that are not ORGANIC WASTE. |
| CONTRACTOR'S FACILITIES | Sun Valley Recycling Park (SVRP) 9081 Tujunga Avenue Sun Valley, CA 92352 Mission Road Recycling and Transfer Station (WTR) 840 S. Mission Road Los Angeles, CA 90023 |
| CONTAMINATION FEE | Service fee charged for the disposal of CONTAMINANTS. |
| CONTRACTOR | Waste Management Recycling and Disposal Services of California, Inc. dba Waste Management. |
| CONTRACTOR PROJECT MANAGER | The CONTRACTOR'S designated representative for all issues related to this CONTRACT. |
| EXECUTION DATE | The date on which the CONTRACT/ AGREEMENT is signed by the President of the BOARD. |

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| FOOD MATERIAL | Material that was acquired for animal or human consumption and source-separated from the municipal solid waste stream. Food Material includes, but is not limited to, fruits, vegetables, dairy, meats and fish (including bones), coffee grinds, and tea bags. Food Material also includes Food-Soiled Paper products that are mixed in with Food Material. Source separated FOOD MATERIAL does not include UNPERMITTED WASTE. |
| FOOD-SOILED PAPER PRODUCTS | Paper that has come in contact with food or liquid, including, but not limited to, napkins, newspaper, paper plates, paper towels, paper egg cartons, paper bags, pizza boxes, and milk cartons and that is not lined with wax, plastic, foil, or any other material that would cause it to be non-compostable. |
| GREEN MATERIAL | Plant material that has been source-separated from the municipal solid waste stream, and includes, but is not limited to, yard trimmings (grass, weeds, leaves, and tree branches), and clean untreated wood. Source separated GREEN MATERIAL does not include UNPERMITTED WASTE. |
| GROSS TON | Load weight consisting of material and contaminants and not including the weight of the collection vehicle. |
| GROSS WEIGHT | The weight of the collection vehicle or other container including any loaded materials and contaminants. |
| HAZARDOUS WASTE | Any of the following: (a) any substances defined, regulated or listed (directly or by reference) as “Hazardous Substances,” “hazardous materials,” “Hazardous Wastes,” “acutely Hazardous Waste,” “extremely Hazardous Waste,” “toxic waste,” “pollutant” or “toxic substances” or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) the California Health and Safety Code §§25110.02, 25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules |

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| | or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other special waste, hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other APPLICABLE LAW, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products. |
| HORSE MANURE | A combination of horse feces, bedding material such as straw, sawdust, and wood shavings, and spilled feed. |
| HOUSEHOLD HAZARDOUS WASTE (HHW) | Those wastes resulting from products purchased by the general public for household use which, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed, or otherwise managed. |
| LASAN | The LA Sanitation & Environment of the Department of Public Works, of the City of Los Angeles. |
| LIST OF WEIGHT TICKETS | A list of weight tickets issued to LASAN collection drivers or LASAN's contracted transporter delivering loads of material to the CONTRACTOR'S FACILITIES. Each weight ticket on the list includes ticket date, ticket number, LASAN vehicle number, GROSS WEIGHT, truck TARE WEIGHT, net weight, collection district, and route number. |
| MBE/WBE/SBE/EBE/DVBE/OBE | Minority / Women / Small / Emerging / Disabled Veteran / Other Business Enterprises. |
| MONITORING | The act of observing, documenting, and reporting on all project-related activities. |
| NET WEIGHT | The difference between GROSS WEIGHT and TARE WEIGHT. |
| NON-CITY WASTE | Waste or materials not collected by the CITY or in CITY designated vehicles. |
| OPERATING DAY | Any calendar day for which the CONTRACTOR is obligated, pursuant to the AGREEMENT/CONTRACT to open the facility to receive CITY ORGANIC WASTE. |

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| ORGANIC WASTE | Post-source separated waste, including, but not limited to, GREEN MATERIAL, FOOD MATERIAL, FOOD-SOILED PAPER PRODUCTS, and HORSE MANURE, collected from the residential curbside collection program (i.e., green bin waste) and any other organic waste collection programs for processing and beneficial reuse. ORGANIC WASTE does not include UNPERMITTED WASTE. |
| PROCESSING | The conversion of ORGANIC WASTE for beneficial reuse by means of mechanical processing such as chipping, screening, grinding, sizing, mulching; biological processing such as composting, co-composting, anaerobic digestion/co-digestion, fermentation; or thermal processing such as pyrolysis and gasification. |
| RESIDUE | Waste material remaining and sent for disposal after PROCESSING of the ORGANIC WASTE including without limitation inorganic material, oversize material or overs, and other material not compatible with the PROCESSING of ORGANIC WASTE. |
| REUSE FACILITY/FACILITIES | Facilities designated by the CONTRACTOR or otherwise approved by the CITY to produce or accept PROCESSED ORGANIC WASTE. |
| SUBCONTRACTOR | Any contractor, supplier, or vendor who is subcontracted by the CONTRACTOR to do work on the CONTRACT. |
| TARE WEIGHT | The weight of an empty collection vehicle or transfer trailer. |
| TON | Unit of measure equal to 2,000 pounds. |
| TPD | Tons per day (per bi-weekly billing cycle). |
| TRANSFER | Material collected by the CITY and delivered to a transfer station where it is transferred from the collection vehicles to larger trucks before being delivered to the CONTRACTOR's facility. |
| UNPERMITTED WASTE | Material that (a) is prohibited from being received, managed or disposed of at a transfer, storage or disposal facility used hereunder by APPLICABLE LAW; (b) is or contains regulated HAZARDOUS WASTE; (c) is or contains any special waste, infectious waste, radioactive, |

volatile, corrosive, flammable, explosive, biomedical, biohazardous material, regulated medical or toxic substances, as defined pursuant to or listed or regulated under APPLICABLE LAW; (d) tires, automobiles, boats, boat trailers, or any parts thereof, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission; or (e) contains information protected by federal, state or local privacy or data security laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA").

Words in the plural form shall include the singular, and vice versa, and words imparting the masculine gender shall include the feminine. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 3 – PROJECT DESCRIPTION

LASAN is responsible for the collection of residential municipal solid waste from approximately 750,000 single family residences and small apartment complexes of four (4) units or less. On a daily average, LASAN collects 800 tons of recyclable material, 1,762 tons of yard trimming material, and 3,600 tons of refuse material.

LASAN will deliver or cause to be delivered CITY ORGANIC WASTE to CONTRACTOR'S FACILITIES. The following are the project descriptions:

- 3.1 LASAN'S delivery of ORGANIC WASTE to the CONTRACTOR'S FACILITIES from its curbside residential collection program.
- 3.2 The receipt and acceptance of the ORGANIC WASTE by the CONTRACTOR at the CONTRACTOR'S FACILITIES per Article 4 Section 4.4.3.
- 3.3 The CONTRACTOR'S PROCESSING of the ORGANIC WASTE.
- 3.4 The transportation of processed ORGANIC WASTE by CONTRACTOR from the CONTRACTOR'S FACILITIES to REUSE FACILITIES, if applicable.

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

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

- 4.2 The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.

4.3 Maintenance of Records

The CONTRACTOR shall maintain all records, including records of financial transactions, 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 three (3) 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 by authorized CITY personnel or the CITY'S representatives at any time. The CONTRACTOR shall provide any reports requested by the CITY regarding the performance of this CONTRACT within thirty (30) business days of request by the City. 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.

4.4 Scope of Services

CONTRACTOR shall perform the following Services:

4.4.1 Hours of Operation

The CONTRACTOR shall accept ORGANIC WASTE delivered by LASAN collection vehicles or by LASAN'S contractors, subcontractors or transporters using transfer trailers at the CONTRACTOR'S FACILITIES between the hours of 6:00 AM and 6:00 PM, Monday through Saturday except on a COLLECTION HOLIDAY. The SVRP Weekend Drop-Off Program's hours of operation will be on Saturdays between the hours of 7:00 AM to 12:00 PM. For any week in which a COLLECTION HOLIDAY occurs Monday through Friday, the CONTRACTOR'S FACILITIES shall remain open to accept such deliveries from 6:00 AM to 6:00 PM on the Saturday following the COLLECTION HOLIDAY. The CONTRACTOR agrees that upon request by the CITY that the CONTRACTOR'S FACILITIES remain open to accept such deliveries at times other than those delineated above within regulatory permit restrictions applicable to the facility.

4.4.2 TRANSFER and PROCESSING Capacity

In accordance with Tables 2 and 3 in Section 11.4, the CONTRACTOR shall be responsible for receiving a minimum tonnage of ORGANIC WASTE at the Sun

Valley Recycling Park (SVRP) and Mission Road Recycling and Transfer Station (WTR) from LASAN or its contractors, subcontractors or transporters. Both the CONTRACTOR and the CITY acknowledge that there will be seasonal fluctuations. Under normal operating conditions, if applicable, the CONTRACTOR will transport all materials received at the CONTRACTOR'S FACILITIES to its REUSE FACILITIES no later than 48 hours after receipt of these materials in accordance with Tables 2 and 3 rate schedules (Article 11, Section 11.4).

4.4.3 Receipt of ORGANIC WASTE

The CONTRACTOR shall be responsible for receiving ORGANIC WASTE from LASAN collection vehicles and/or transfer trailers (operating under LASAN contract) at the CONTRACTOR'S FACILITIES during permitted hours of operation. The CONTRACTOR may also receive finished and cleaned products such as chipped and ground ORGANIC WASTE, compost or mulch from CITY facilities for further PROCESSING (if necessary), and transporting to REUSE FACILITIES.

4.4.4 Title to Delivered Materials

Upon acceptance of the ORGANIC WASTE at the CONTRACTOR'S FACILITIES per Section 4.4.3 above, the CONTRACTOR shall assume full title to and complete responsibility for ORGANIC MATERIALS delivered by the CITY or its contractors. Title to any UNPERMITTED WASTE mixed in the ORGANIC WASTE shall not transfer to the CONTRACTOR.

4.4.5 Weekend Residential Drop-Off Program

As part of the weekend residential drop-off program, the CONTRACTOR shall provide residential drop-off services for ORGANIC WASTE to CITY residents only, who show proof of residence in the CITY, on Saturdays between the hours of 7:00 AM to 12:00 PM at the SVRP facility. The CITY may at its discretion, reduce the frequency of the drop-off program (i.e., to a monthly or quarterly basis) with a 30-day written notice to CONTRACTOR. When providing this service, the CONTRACTOR must record the following information supplied by the residents as proof of residence: 1) A current (within three months) Los Angeles Department of Water and Power (DWP) bill, and 2) A valid California driver's license or a valid California ID card with a CITY address (if the address is outside of the CITY boundaries, then the DWP account number must be recorded). Loads from commercial businesses shall not be accepted. Loads from residents participating in the drop-off program shall be limited to approximately one point two (1.2) tons or 2,400 pounds of ORGANIC WASTE. The CONTRACTOR shall maintain and submit LIST OF WEIGHT TICKETS and a written residential drop-off log of each delivery listing estimated weights and a description of the type of loads (i.e., green, tree trunks, horse manure, brush, etc.)

along with the resident's name, the resident's service address, zip code, and the DWP account number if the resident's address on the California driver's license is outside of the CITY boundaries.

4.4.6 PROCESSING of Material

The CONTRACTOR shall be responsible for PROCESSING ORGANIC WASTE for beneficial reuse by means of mechanical processes including, but not limited to chipping, screening, cleaning, grinding, sizing, mulching; and biological processes including, but not limited to anaerobic digestion and composting. CONTRACTOR shall be responsible for ensuring that the PROCESSING of ORGANIC WASTE, and the resulting processed ORGANIC WASTE complies with CONTRACTOR'S permits and APPLICABLE LAWS.

4.4.7 Contamination and RESIDUE Removal

4.4.7.1 The CONTRACTOR shall be responsible for accepting loads with an inbound CONTAMINATION level up to fifty percent (50%) by volume or twenty percent (20%) by weight. If upon visual inspection the CONTAMINATION appears to be greater than fifty percent (50%) by volume or twenty percent (20%) by weight, the CONTRACTOR may identify the entire load as being a refuse load only with the concurrence of the CITY PROJECT MANAGER.

If the CITY PROJECT MANAGER or its representative cannot be present to inspect the load within two (2) hours of being notified of the occurrence, the CONTRACTOR's determination regarding CONTAMINATION shall be final. CONTRACTOR must make a record of and e-mail the CITY PROJECT MANAGER with the truck number, driver name, and a photograph of the material prior to disposing of the material or mixing it with other loads.

4.4.7.2 The CONTRACTOR is required to maintain records and account for RESIDUE generated from LASAN loads separate from RESIDUE produced by other customers.

When the inbound CONTAMINATION level in a load delivered by the CITY is found to be greater than fifty percent (50%) by volume or twenty percent (20%) by weight, the disposal of the entire load shall be charged to the CITY according to the rate schedule for RESIDUE (Tables 2 and 3 of Article 11).

When the inbound CONTAMINATION level in a load delivered by the CITY is found to be less than fifty percent (50%) CONTAMINATION by volume or twenty percent (20%) by weight, the RESIDUE shall be charged according to the rate

schedule for RESIDUE (Tables 2 and 3 of Article 11) and shall be invoiced on a separate line item from those loads in which CONTAMINATION exceeds fifty percent (50%) by volume or twenty percent (20%) by weight.

- 4.4.7.3 RESIDUE and CONTAMINANTS (including oversized material or overs) must be disposed of at a permitted refuse disposal facility. Official LIST OF WEIGHT TICKETS for RESIDUE shall accompany the invoice (i.e., from the WEIGH STATION at the CONTRACTOR'S FACILITY(IES) OR a landfill disposal facility). The CITY shall not be required to pay the CONTRACTOR for RESIDUE for which LIST OF WEIGHT TICKETS are not included with the invoice. After receipt of the LIST OF WEIGHT TICKETS for RESIDUE sent for disposal, the CITY shall pay the CONTRACTOR according to the rate schedule for RESIDUE (Tables 2 and 3 of Article 11).
- 4.4.7.4 Outbound material from the transfer/drop-off station must meet regulatory CONTAMINATION levels as set-forth in APPLICABLE LAWS. The final beneficial reuse material must also meet regulatory levels as set-forth in APPLICABLE LAWS.
- 4.4.7.5 The CONTRACTOR shall be responsible for determining the percentage by weight of RESIDUE and producing WEIGHT TICKETS to substantiate the percentage of RESIDUE stated.
- 4.4.7.6 At the discretion of the CITY, for one 5-day week every 3 months, a contamination analysis shall be performed at the CONTRACTOR'S FACILITIES to determine the percentage of CONTAMINANTS in the incoming material. In addition, the CONTRACTOR may undertake a contamination analysis at other times following five (5) days advance written or telephonic notice to the CITY PROJECT MANAGER. The CONTRACTOR shall not charge the CITY any expenses related to the performance of these contamination analysis. The CITY PROJECT MANAGER or designated CITY representative shall be permitted by the CONTRACTOR to observe the contamination analysis performed by the CONTRACTOR. Over a five-day period, CONTAMINANTS removed from the material shall be weighed on certified scales and calculations performed to determine the weight percentage of CONTAMINANTS. Each CITY truck containing ORGANIC WASTE shall be weighed during the five-day period to determine GROSS TON weight of the incoming material. (See example number 1.)

In the event that the CONTRACTOR'S contamination analysis for

the incoming loads exceed the percentage by weight of CONTAMINANTS reported within the prior three (3) months average, as reported per their respective invoices (per Article 11 Section 11.9), by 10% or greater above the contamination charged to the CITY for the prior three (3)-month invoices, the CITY and the CONTRACTOR agree to meet in good faith regarding methods to minimize the amount of inbound CONTAMINATION and potential improvements to PROCESSING at CONTRACTOR'S FACILITIES, with the goal of maximizing the amount of material diverted from landfill disposal. (See the example number 2)

The following examples are provided to give guidance to the parties in administering the above provisions:

Example 1. If the reported three (3) month average by weight of CONTAMINANTS IS is 10%, and the contamination analysis shows a percentage of CONTAMINANTS of 12%, no further action is required.

Example 2. If the reported three (3) month average by weight of CONTAMINANTS IS is 22%, and the contamination analysis shows a percentage of CONTAMINANTS of 10%, the parties would meet and confer as to methods to minimize the amount of inbound contamination.

4.4.7.7 The CONTRACTOR shall contribute \$50,000, for each full year and a pro-rata amount for a partial year in the form of a check, due every year for the remaining life of the AGREEMENT, on or before each anniversary of the CONTRACT DATE, except for the first year wherein the contribution shall be made within 30 CALENDAR DAYS of the CONTRACT DATE. The check shall be made payable to the City of Los Angeles, Department of Public Works, Los Angeles Sanitation. This annual contribution to the Contamination Reduction Program shall support routine inspections of residential containers, provide for the dissemination of information regarding correct container usage and recycling procedures, and encourage contamination reduction. This provision shall not apply during any month-to-month extension as set forth in Article 7 or a termination for convenience as set forth in Section 9.1.

4.4.8 MONITORING of Materials and Exclusion of UNPERMITTED WASTE

4.4.8.1 Responsibilities

The CONTRACTOR shall not be used for the handling,

transportation, storage, or disposal of UNPERMITTED WASTE. Neither the CONTRACTOR nor the CITY shall allow the delivery of UNPERMITTED WASTE to the CONTRACTOR'S FACILITIES. In accordance with permits and APPLICABLE LAWS, the CONTRACTOR shall diligently monitor deliveries of material delivered to the CONTRACTOR'S FACILITIES to mitigate the potential of an inadvertent delivery of UNPERMITTED WASTE. Copies of CONTRACTOR'S current Load Check Program, procedures and protocols are included in Appendix A. CITY agrees to comply with all such procedures and protocols including but not limited to the CONTRACTOR'S FACILITIES Load Check Program, procedures and protocols as they are currently written and as they may be modified in the future. CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than 30 CALENDAR DAYS from such change.

If CONTRACTOR discovers that UNPERMITTED WASTE has been delivered to the CONTRACTOR'S FACILITIES by LASAN or its contractors, subcontractors, or transporters, CONTRACTOR shall promptly contact the CITY PROJECT MANAGER by telephone and electronic mail, and provide written notice to the CITY and to other appropriate governmental authorities. Prompt contact by telephone and electronic mail shall be made within two (2) hours from the discovery of UNPERMITTED WASTE. Written notice which shall include electronic mail notification shall be transmitted within two (2) CALENDAR DAYS from the discovery of UNPERMITTED WASTE. In as expeditious manner as possible and to the extent required by APPLICABLE LAW, CONTRACTOR shall clean-up and/or remove the UNPERMITTED WASTE from the CONTRACTOR'S FACILITIES, transport, and dispose of such waste at an appropriate facility permitted to handle such UNPERMITTED WASTE in accordance with APPLICABLE LAWS.

4.4.8.2 Costs and Liabilities

CONTRACTOR shall pay all the costs incurred in MONITORING UNPERMITTED WASTE pursuant to Section 4.4.8.1 of this Article. This AGREEMENT creates no obligation on CONTRACTOR to accept or dispose of any UNPERMITTED WASTE. CONTRACTOR has the right in its sole discretion to reject delivery of any waste that does not constitute ORGANIC WASTE or contains UNPERMITTED WASTE. CONTRACTOR may reject, in whole or in part, any load containing any portion of

UNPERMITTED WASTE. Subject to CITY review and approval, which shall not be unreasonably withheld, CITY shall reimburse the direct costs of cleaning up, removing, transporting, and disposing UNPERMITTED WASTE delivered to the CONTRACTOR'S FACILITY, with proper supporting documentation, and any fines and penalties assessed against CONTRACTOR, provided the CONTRACTOR is able to demonstrate that the CITY delivered such UNPERMITTED WASTE. CITY shall not reimburse the CONTRACTOR for, nor hold harmless, indemnify, nor defend the CONTRACTOR against any claims, demands, suits, damages, penalties, charges, judgments, liabilities, or losses of any kind, to the extent resulting from any negligent acts or omissions of the CONTRACTOR which relate to the management of UNPERMITTED WASTE.

4.4.9 Beneficial Reuse

- 4.4.9.1 ORGANIC WASTE shall not be used as Alternative Daily Cover (ADC) at a landfill unless prior authorization is received from the CITY.

CITY acknowledges and understands that the ability to use ORGANIC WASTE for land application may be prohibited or limited in the future. Should the ability to use ORGANIC WASTE for land application be prohibited or limited in any way by a governmental authority or agency, CITY and CONTRACTOR shall negotiate in good faith an adjustment to the rates to compensate CONTRACTOR for increased costs for processing of ORGANIC WASTE. If the parties are unable to agree upon an appropriate adjustment in the rates, CONTRACTOR may terminate this Agreement by providing forty-five (45) days' written notice of termination to the CITY.

- 4.4.9.2 The CONTRACTOR shall process ORGANIC WASTE for beneficial reuse, including but not limited to soil amendment, dust suppressants, fertilizer, bulking agents, co-compost, compost and/or mulch, topsoil, seed cover, feedstock for resource/energy recovery processes or constituents for goods made from a recycling process. Upon City's reasonable request, CONTRACTOR shall provide the CITY with a confidential list of the REUSE FACILITIES.

- 4.4.9.3 To the extent CONTRACTOR transports processed ORGANIC WASTE to the REUSE FACILITIES, CONTRACTOR shall be responsible for ensuring that the handling and transport of the processed ORGANIC WASTE shall comply with all

APPLICABLE LAWS.

4.4.10 CERTIFIED WEIGH STATION and WEIGHT TICKETS

4.4.10.1 The CONTRACTOR is responsible for operating and maintaining a CERTIFIED WEIGH STATION and shall operate and maintain the scales at the CONTRACTOR'S FACILITIES in accordance with APPLICABLE LAW. If the CONTRACTOR's weighing system is capable of recording, storing and retrieving TARE WEIGHTS, outbound vehicle weighing shall not be necessary. Routine verification of a LASAN collection vehicle or transfer trailer TARE WEIGHT recordings may be conducted by a CITY or CONTRACTOR representative for accuracy. The CONTRACTOR shall be responsible for determining the total tonnage of ORGANIC WASTE received from LASAN or its contractors, subcontractors or transporters at the CONTRACTOR'S FACILITIES and the total tonnage of separated CONTAMINANTS. A WEIGHT TICKET shall be given to each LASAN collection driver or its contractors, subcontractors or transporters delivering a load of material to the CONTRACTOR'S FACILITIES.

4.4.10.2 The CONTRACTOR shall weigh all LASAN collection vehicles or transfer trucks prior to depositing their load at the CONTRACTOR'S FACILITIES. All WEIGHT TICKETS shall have the GROSS WEIGHT, date and time prior to unloading; the TARE WEIGHT, the Net Weight for each trip, the truck number and the license number of the LASAN collection vehicle or transfer trailer. CONTRACTOR'S invoice to CITY shall include a LIST OF WEIGHT TICKETS for material accepted at the CONTRACTOR'S FACILITIES during the time period for which the invoice is calculated pursuant to Article 11, Section 11.8, herein. The CITY shall not pay CONTRACTOR for that portion of material delivered for which a LIST OF WEIGHT TICKETS are not included with the invoice.

Copies of WEIGHT TICKETS will be stored by the CONTRACTOR throughout the duration of this CONTRACT and shall be made available to the CITY upon request within five (5) BUSINESS DAYS of such request.

4.4.10.3 To the extent that all the CERTIFIED WEIGH STATION scales are not operating or cannot be used, the CONTRACTOR shall notify the CITY within two (2) hours of non-operation and shall use best-efforts to minimize the period during which CERTIFIED WEIGH STATION scales are not operable. If all the permanent

CERTIFIED WEIGH STATION scales are not functioning for more than five (5) days, the CONTRACTOR shall use a portable scale to the extent commercially available until the permanent scales are operable. In the event no scales are available CITY and CONTRACTOR will confer to determine average weights per load of material for tracking and invoicing purposes.

Pending installation of the portable scale or repair of the permanent scales, the CONTRACTOR shall estimate the quantity of material delivered at the CONTRACTOR'S FACILITIES on the basis of truck and transfer trailer volumes, TARE WEIGHT, the designated compost facilities weigh records, and relevant data obtained through historical information.

The CITY shall have the right, at its expense, to station its representative at any motor vehicle scale, or the scale house at the CONTRACTOR'S FACILITIES during the facilities operational hours defined in Article 4 Section 4.4.1, to monitor weighing operations, and to verify recorded TARE WEIGHTS of LASAN or its contractors, subcontractors or transporters delivery vehicles and scale accuracy.

4.4.11 Site Requirements

The CONTRACTOR shall maintain control of the CONTRACTOR'S FACILITIES for the term of CONTRACT. The CONTRACTOR shall provide and maintain adequate male and female restroom facilities for CITY use at the CONTRACTOR'S FACILITIES. The CONTRACTOR shall also provide and maintain a clean out area for CITY vehicles.

CONTRACTOR'S FACILITIES must be capable of transferring and PROCESSING the material delivered by LASAN or its contractors, subcontractors or transporters, during peak conditions without excessive stockpiling of materials or causing significant delivery delays. The CONTRACTOR'S FACILITIES must be of sufficient capacity and capable of providing the throughput required to accommodate CITY deliveries without disruption, delay, nuisance, or violation of APPLICABLE LAWS.

4.4.12 Truck Turn-Around Time and Queuing

The CONTRACTOR shall use commercially reasonable efforts to enable the turn-around time period for the LASAN'S collection vehicles entering the CONTRACTOR FACILITY, including but not limited to waiting in line, weighing their loads, and dumping their loads, to be no longer than 25 minutes. The parties hereto acknowledge that, despite such efforts by the CONTRACTOR, during peak arrival times at the CONTRACTOR FACILITIES during each

OPERATING DAY such turnaround times may exceed twenty-five (25) minutes. The CONTRACTOR shall provide sufficient queuing space within the site boundaries to minimize vehicles queuing on CITY streets at all times.

The CITY may deliver material loads to facilities other than the CONTRACTOR'S FACILITIES if time delays (exceeding the designated turn-around time period of 25 minutes) are being experienced at the CONTRACTOR'S FACILITIES. Minimum tonnage deliveries required of the CITY shall not apply during periods of delay caused by the CONTRACTOR.

4.4.13 Diversion from CONTRACTOR'S FACILITIES

LASAN collection vehicles and transfer trailers are not to be diverted by the CONTRACTOR to other transfer/PROCESSING sites without the prior confirmed written consent of the CITY, which consent shall not be unreasonably withheld or delayed.

4.4.14 Contingent Facilities

CONTRACTOR has identified contingent PROCESSING facilities (Table 1) in the event of service disruptions at the CONTRACTOR'S FACILITIES, at CITY'S PROCESSING facilities or at any other PROCESSING facilities under contract with the CITY. The CITY may utilize the contingent PROCESSING facilities under an "as-needed" basis, including emergency circumstances, peak collection days, or periods of prolonged delay, and depending on availability of capacity, adequate personnel and equipment to handle the anticipated volumes and/or tonnage. The CITY shall contact the Key CONTRACTOR Personnel and/or the contingent PROCESSING facility as soon as practicable to determine whether the contingent facility can accept the anticipated volumes and/or tonnage of ORGANIC WASTE based upon availability of capacity, adequate personnel and equipment. The contingent PROCESSING facilities listed below will be made available to the CITY at the rates stipulated for the SVRP facility (Table 2 of Article 11 Section 11.4). There shall be no minimum tonnage requirements at the contingent PROCESSING facilities.

Notwithstanding anything to the contrary in the provisions of this Article, the CITY shall have the right, at its sole discretion, to enter into agreements with other contractors without consultation or participation with the CONTRACTOR provided CITY meets its obligation to deliver the minimum TPD of ORGANIC WASTE to SVRP as set forth in Table 2, Section 11.4.

| Table 1. CONTRACTOR'S CONTINGENT ORGANIC WASTE FACILITIES | |
|--|--|
| Facility Name | Address |
| Simi Valley Landfill | 2801 N. Madera Road Simi Valley, CA 93065 |

| | |
|---|---|
| Lancaster Recycling and Disposal Facility | 600 East Avenue F Lancaster, CA 93535 |
| Palmdale/Antelope Valley Landfill | 1200 W. City Ranch Road Palmdale, CA 93551 |

4.4.15 Facility Maintenance

The CONTRACTOR shall be responsible for providing and maintaining its own trucks, drivers, and any other necessary personnel and equipment that are required to receive ORGANIC WASTE from the LASAN'S collection vehicles and/or transfer trailers at the CONTRACTOR'S FACILITIES. The CONTRACTOR shall perform all MONITORING and necessary maintenance at the CONTRACTOR'S FACILITIES as required by all APPLICABLE LAWS.

Additionally, the CONTRACTOR shall be responsible for reasonable periodic on-site observations at the REUSE FACILITIES that PROCESS Organic Waste and shall cease delivery of materials to such REUSE FACILITIES if the CONTRACTOR learns that permits required for PROCESSING of material have expired or have been revoked or otherwise have become invalid. The CONTRACTOR shall notify the CITY, in writing, of any such changes in permit status, together with a copy of such status change, received by the CONTRACTOR for any facility for which CITY material is delivered. Such notice to the CITY shall be made within two (2) OPERATING DAYS of the CONTRACTOR'S receipt of such status change.

4.4.16 Spill Prevention

All trucks used for the transportation of material from the CONTRACTOR'S FACILITIES to the REUSE FACILITIES or for the transportation of CONTAMINANTS from the CONTRACTOR'S FACILITIES to the landfill disposal facility shall be tarped, sealed, and secured before leaving the loading site. The CONTRACTOR must remove any spillage or other accidental deposit of materials or CONTAMINANTS, and clean the affected area.

The CONTRACTOR shall submit a written, detailed, and complete Spill Response Plan to the CITY ten (10) business days prior to receiving the first truckload of material under this AGREEMENT. Further, the Spill Response Plan shall be submitted on either an annual basis, or whenever there is a change to the spill response plan. Such Spill Response Plan shall comply with all APPLICABLE LAWS and is subject to approval by the CITY, whose approval shall not be unreasonably withheld or delayed.

4.4.17 Operating Resources

The CONTRACTOR shall employ staff, equipment, materials, supplies and services to operate, maintain, and manage the CONTRACTOR'S FACILITIES in

accordance with accepted skills and practices of the waste management industry.

4.4.18 Workplace Safety Requirements

CONTRACTOR shall provide all workers and the public protection from all safety hazards through its Occupational Safety and Health programs. CONTRACTOR shall be responsible for abiding by APPLICABLE LAWS regarding workplace health and safety. The CONTRACTOR shall provide the CITY access to or printed copies of such health and safety programs and records, upon the CITY'S request. The CONTRACTOR shall notify the CITY, in writing, of any citation, together with a copy of such citation, received by the CONTRACTOR at its CONTRACTOR'S FACILITIES. Such notice to the CITY shall be made within two (2) OPERATING DAYS of the CONTRACTOR'S receipt of such citation.

4.4.19 Adherence to APPLICABLE LAWS

The CONTRACTOR certifies that all PROCESSING utilized at its CONTRACTOR'S FACILITIES will comply with APPLICABLE LAWS. The CONTRACTOR further certifies that all processed ORGANIC WASTE will meet APPLICABLE LAWS. The CITY will not be held responsible for, and disclaims any resulting liability thereof, for the CONTRACTOR'S failure to comply with APPLICABLE LAWS, except to the extent it results, in whole or in part, due to the negligence or willful misconduct of the CITY, its agents or employees.

4.4.20 Site Inspection

The CONTRACTOR agrees that the CONTRACTOR'S FACILITIES, the REUSE FACILITIES, and the equipment used for the performance of this AGREEMENT are subject to reasonable inspections, during normal working hours, by CITY personnel or its agents without prior notice. Said inspections shall be for the purpose of ensuring compliance with the terms of this AGREEMENT and APPLICABLE LAWS, CITY personnel must always be accompanied by the CONTRACTOR while on-site.

4.4.21 Bi-Monthly Electronic Reports

The CONTRACTOR shall submit Bi-weekly Electronic Reports corresponding to the time periods for submitting invoices stated in Article 11, Section 11.9. Bi-Monthly electronic reports shall conform to the sample Electronic Database Report provided in Appendix B. The details in said reports shall comply with the reasonable requirements of the CITY. The CONTRACTOR will provide the CITY electronic transfer of the reported data. Monthly reports submitted to the CITY PROJECT MANAGER must contain the following information:

A. Name of CONTRACTOR'S FACILITIES where the load was received

- B. LASAN Collection Truck Number (full five (5) digits) for all LASAN collection trucks and transfer trailers
- C. LIST OF WEIGHT TICKET(s) information: for each LASAN load including GROSS WEIGHT, truck TARE WEIGHT, net weight, ticket date, ticket number, collection district, route number and truck number
- D. Total number of loads received per week
- E. Total weekly tonnage of material received at the CONTRACTOR'S FACILITIES
- F. Total tonnage and percent by weight of CONTAMINANTS received and location of disposal facility for the CONTAMINANTS
- G. Total number of rejected loads due to high level of contamination
- H. Total weekly tonnage of material shipped from the CONTRACTOR'S FACILITIES to the REUSE FACILITY
- I. Summary of total Year-To-Date for all items listed above

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

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

Name: Marc Harismendy, SVRP Manager
 Address: 9227 Tujunga Ave
 Sun Valley, CA 91352
 Telephone: (626) 825-9495
 E-mail: mharisme@wm.com

Name: Kim Ohrt, Area Manager, Public Sector Solutions
 Address: 9081 Tujunga Ave.
 Sun Valley, CA 91352
 Telephone: (818) 254-6981
 E-mail: kohrt@wm.com

- 5.2 Additional technical specialists shall be assigned subject to the CITY PROJECT MANAGER'S approval.
- 5.3 The 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 the 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 or delayed unreasonably.
- 5.4 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.

- 5.5 The CONTRACTOR shall not use subcontractors to assist in the performance of this CONTRACT without the prior written approval of the CITY, whose approval shall not be withheld or delayed unreasonably. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and paying all SUBCONTRACTORS. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to reasonably request replacement of any SUBCONTRACTOR. 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 any SUBCONTRACTOR.

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

The CITY designates James Roska 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 PROJECT MANAGER may designate an assistant to act in his/her stead. The CITY may designate another CITY employee to succeed James Roska as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

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

6.1 CITY Deliveries and Minimum Commitment

CITY shall deliver a minimum TPD of ORGANIC WASTE to CONTRACTOR'S FACILITIES in accordance with Tables 2 and 3, Section 11.4. LASAN or its contractors, subcontractors or transporters shall deliver the ORGANIC WASTE to the CONTRACTOR'S FACILITIES during the normal operating hours as set forth in Section 4.4.1. The CITY shall use reasonable efforts to deliver consistent volumes of ORGANIC WASTE on a weekly basis, subject to short-term variations due to inclement weather, seasonality, unexpected equipment failure or other issues out of the control of CITY. LASAN and its contractors, subcontractors or transporters shall deliver ORGANIC WASTE to the CONTRACTOR'S FACILITIES in accordance with the requirements of this AGREEMENT and APPLICABLE LAW.

In addition, CITY may, in its sole discretion, deliver additional ORGANIC WASTE in accordance with this AGREEMENT to the SVRP to the extent that the SVRP in CONTRACTOR's reasonable business judgment has capacity and the ability to accept and PROCESS such excess deliveries, in accordance with PERMITS and APPLICABLE LAW. CONTRACTOR shall not be required to displace other incoming waste from other contracted customers in order to accept such increase in the daily CITY'S delivery of ORGANIC WASTE. CITY shall provide CONTRACTOR with reasonable advance

written notice to the CONTRACTOR PROJECT MANAGER of its intent to deliver excess volumes of ORGANIC WASTE to the SVRP.

6.2 Deliveries of ORGANIC WASTE to other CONTRACTOR’S FACILITIES or Contingent Facilities

CITY may deliver on an “as needed” basis ORGANIC WASTE transported by LASAN or its contractors, subcontractors or transporters in accordance with this AGREEMENT to the other CONTRACTOR’S FACILITIES or contingent facilities. CITY shall provide CONTRACTOR with reasonable advance written notice of its intent to deliver ORGANIC WASTE to the CONTRACTOR PROJECT MANAGER for the subject CONTRACTOR FACILITY or contingent facility. LASAN and its contractors, subcontractors or transporters shall deliver such materials in accordance with the requirements of this AGREEMENT and APPLICABLE LAW.

6.3 Access

CONTRACTOR hereby grants LASAN and its contractors, subcontractors or transporters a non-exclusive license to enter the CONTRACTOR FACILITIES for the purpose of delivering ORGANIC WASTE pursuant to this AGREEMENT at an area designated and in the manner directed by CONTRACTOR. LASAN and its contractors, subcontractors and transporters shall comply with all health and safety rules and regulations of the CONTRACTOR FACILITIES or contingent facilities, as the same may be amended from time to time.

6.6 CITY Vehicles

CITY shall deliver ORGANIC WASTE using clearly identified vehicles.. Each vehicle shall have its identification number clearly marked and visible to the WEIGH STATION operator. CONTRACTOR or CITY, in their respective reasonable discretion, may require the revalidation of the TARE WEIGHT of any CITY vehicle or the re-weighing of unloaded CITY vehicles. CITY reserves the right to modify its truck fleet as it deems necessary.

6.7 Payment of the Service Fee

CITY shall pay CONTRACTOR the Service Fee in accordance with ARTICLE 11 for all ORGANIC WASTE delivered by LASAN and its contractors, subcontractors or transporters to the CONTRACTOR’S FACILITIES or contingent facilities under this AGREEMENT. Should CITY fail to deliver the minimum TPD of ORGANIC WASTE collected by LASAN from the CITY to the CONTRACTOR’S FACILITIES, the CITY shall pay the Service Fee as set forth in ARTICLE 11 for any shortfall in meeting the minimum TPD of ORGANIC WASTE delivery requirement as calculated during the BIWEEKLY invoice period.

6.8 CITY Removal of PROCESSED ORGANIC WASTE

To the extent CITY elects to transport PROCESSED ORGANIC WASTE from the CONTRACTOR'S FACILITIES or contingent facilities to another facility or REUSE FACILITY, CITY shall remove and transport such materials no later than forty-eight (48) hours after receipt of the ORGANIC WASTE by CONTRACTOR.

6.9 Compliance with APPLICABLE LAW

All Parties agree to comply with APPLICABLE LAW and maintain all required PERMITS at all times throughout the term of this AGREEMENT; as may be extended, and shall obtain and maintain any PERMITS which are required for the performance of their respective obligations under this AGREEMENT.

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for five (5) years beginning from the EXECUTION DATE or December 1, 2022, whichever is sooner, with two (2) five (5)-year renewal options upon terms and conditions mutually agreed upon by CITY and CONTRACTOR, from the date of full execution unless terminated as provided under Article 9 or extended by a duly approved amendment to this AGREEMENT and signed by the parties. Should either party desire to change the scope of services under this AGREEMENT in any renewal period, then the requesting party shall provide written notice no later than thirty (30) months prior to the end of the then applicable initial term or renewal term.

Notwithstanding the foregoing, the CITY may elect to extend the initial term of this 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 without any change in the scope of services provided under this AGREEMENT. The CITY may extend the AGREEMENT on a month-to-month basis prior to the end of either the initial five (5)-year term if the Parties elects not to renew, or the end of the applicable renewal term if the Parties agree to renew, by providing the CONTRACTOR a written notice at least ninety (90) days prior to expiration of the initial term or the then applicable renewal term. During such period of month-to-month extension, the CITY shall increase the expenditure amount for services performed by the CONTRACTOR by a maximum of ten percent (10%) of the total CONTRACT cost. During such period of month-to-month operation, if either party decides to terminate the relationship, the CONTRACTOR shall be obligated to continue performance for at least sixty (60) days after written notice from the terminating party.

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

In order to prevent imminent and substantial harm to persons or the environment, the CITY may suspend any or all services provided under this CONTRACT for a period of up to thirty (30) days by providing the CONTRACTOR with a written notice of suspension explaining in detail the reasons for the suspension. Upon receipt of the notice of suspension, the CONTRACTOR shall immediately cease the services suspended and shall not incur any additional obligations, costs, or expenses to the CITY during the period of suspension. To the extent any longer period of suspension is necessary, the CITY and the CONTRACTOR shall meet and confer prior to the expiration of the 30-day suspension period and negotiate in good faith about whether to extend the suspension beyond the 30-day suspension period, and the terms and conditions of such further suspension. In the event the CITY and the CONTRACTOR do not agree to further extend suspension beyond the 30-day suspension period, or do not agree upon the terms and conditions of such further suspension, then the CONTRACT shall terminate effective upon the end of the 30-day suspension period or on such date as otherwise agreed upon by CITY and CONTRACTOR. CITY shall pay CONTRACTOR any and all sums due to CONTRACTOR under the AGREEMENT for services performed prior to the effective date of any suspension or termination, as applicable, and those reasonable costs incurred by the CONTRACTOR to effect a termination.

ARTICLE 9 – TERMINATION

9.1 Termination for Convenience

The CITY may terminate this CONTRACT for the CITY'S convenience at any time by providing the CONTRACTOR ninety (90) days written notice. CITY shall pay the CONTRACTOR any and all sums due to the CONTRACTOR under the AGREEMENT through the effective date of termination and those reasonable costs incurred by the CONTRACTOR to effect the termination. Thereafter, the CONTRACTOR shall have no further claims against the CITY under this CONTRACT.

9.2 Termination for Breach of Contract

- 9.2.1 Except as provided in Article 21, if the CONTRACTOR fails to materially perform any of the provisions of this CONTRACT or so fails to make progress as to endanger timely performance of this CONTRACT, the CITY may give the CONTRACTOR written notice of the default. The CITY'S default notice will provide the CONTRACTOR an opportunity to cure the default and provide a

reasonable period to cure the default to the sole satisfaction of the CITY. Additionally, the CITY'S default notice may offer the CONTRACTOR an opportunity to provide the CITY with a plan to cure the default, which shall be submitted to the CITY within a reasonable time period allowed by the CITY. At the CITY'S sole discretion, the CITY may accept or reject the CONTRACTOR'S plan. If the default cannot be cured or if the CONTRACTOR fails to cure within the period allowed by the CITY, then the CITY may terminate this CONTRACT due to the CONTRACTOR'S breach of this contract.

- 9.2.2 If the default under this CONTRACT is due to the CONTRACTOR'S failure to maintain the insurance required under this CONTRACT, the CONTRACTOR shall immediately: (1) suspend performance of any services under this CONTRACT for which insurance was required; and (2) notify its employees and SUBCONTRACTORS of the loss of insurance coverage and the CONTRACTOR'S obligation to suspend performance of services. The CONTRACTOR shall not recommence performance until the CONTRACTOR is fully insured and in compliance with the CITY'S requirements pursuant to this AGREEMENT.
- 9.2.3 If 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, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.2.4 If the CONTRACTOR engages in any dishonest conduct related to the performance or administration of this CONTRACT or violates the CITY'S laws and regulations relating to lobbying, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.2.5 Acts of Moral Turpitude
 - a. The CONTRACTOR shall immediately notify the CITY if any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.
 - c. If a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR

an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.

- d. Acts of Moral Turpitude are defined as: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.
- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner of ten percent (10%) or more of the voting power or equity interests of CONTRACTOR.

9.2.6 In the event the CITY terminates this CONTRACT as provided in this Section, the CITY may procure, upon such terms and in the manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and the CONTRACTOR shall be liable to the CITY for all of its costs and damages for such services.

9.2.7 If, after notice of termination of this CONTRACT under the provisions of this Section, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this Section, or that the default was excusable under the terms of this CONTRACT, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 9.1 Termination for Convenience.

9.2.8 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.

9.3 In the event that this CONTRACT is terminated, the CONTRACTOR shall immediately notify all employees and SUBCONTRACTORS, and shall notify in writing all other parties contracted with under the terms of this CONTRACT within five (5) working days of the termination. The CITY shall pay the CONTRACTOR any and all sums due to the CONTRACTOR under the CONTRACT for services performed through the effective date of termination.

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 withheld or delayed. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. Affiliates of the CONTRACTOR shall not be considered SUBCONTRACTORS/ SUBCONSULTANTS. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT without the prior written approval of the CITY, whose approval shall not be unreasonably withheld or delayed. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY, whose approval shall not be unreasonably withheld or delayed. 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 reasonably 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 Most Favored Customer

During the initial term, the CONTRACTOR shall provide the CITY terms and conditions for services which are more favorable than those terms and conditions provided to any other non-affiliate governmental customer for substantially similar services and volumes, including PROCESSING of substantially similar ORGANIC WASTE streams, at any of the CONTRACTOR'S FACILITIES after the date of this AGREEMENT. The CITY shall have the right to conduct a review of CONTRACTOR'S terms and conditions in respect to these services to non-affiliates to confirm the CONTRACTOR'S compliance with the provisions in this paragraph.

11.2 Compensation and Discounts

The CITY shall compensate the CONTRACTOR for the services performed as described in Article 4 herein. The CITY shall compensate the CONTRACTOR on a cost-per-ton basis, which shall be the sole compensation paid to the CONTRACTOR.

The CONTRACTOR agrees that the cost-per-ton is all inclusive, and includes but is not limited to, all of the overhead costs, capital costs, permit fees, profits and any and all other costs of the PROJECT. The schedule shown in Tables 2 and 3 in Section 11.4 of this Article shall apply. CONTAMINATION removal rates shall be based on actual tonnages delivered and shall be verified by contamination analysis studies performed pursuant to Article 4 Section 4.4.7.

The CITY shall apply a discount of two percent (2%) from the gross invoiced amount for all payments made within 30 days of the complete invoice submittal date. A submitted invoice shall be deemed complete when the following documentation has been received and verified:

1. Invoice (Article 11, Section 11.10)
2. Schedule B (Article 11, Section 11.10.1)
3. Electronic BIWEEKLY Electronic Report (Article 4, Section 4.4.21)
4. LIST OF WEIGHT TICKETS (Article 4, Section 4.4.10.2) and Weekend Residential Drop-off Program Log (Article 4, Section 4.4.5)

- 11.3 The CONTRACTOR agrees that the service fee for all services provided in this AGREEMENT shall be calculated based on the monthly material tonnage received by the CONTRACTOR at the CONTRACTOR'S FACILITIES as follows:

$$\text{Service Fee} = [(Y - C) \times P] + (C \times R)$$

Where:

- Y = Aggregate quantity of material received by CONTRACTOR including CONTAMINANTS (unit: tons), but excluding weekend residential DROP-OFF PROGRAM tonnage;
- C = Quantity of CONTAMINANTS removed from material (unit: tons), but excluding CONTAMINANTS removed from residential DROP-OFF PROGRAM;
- P = Material PROCESSING rates specified in Tables 2 and 3 of Section 11.4 of this Article. These rates are all inclusive of CONTRACTOR'S cost to provide the services of this PROJECT:
- R = Unit cost for each ton of CONTAMINANTS removed from material and disposed of at REFUSE DISPOSAL FACILITIES except for the UNPERMITTED WASTE.

- 11.4 The rates P and R used in the formulas in Section 11.3 of this Article above shall vary according to the average daily tonnage amount delivered to the CONTRACTOR'S FACILITIES over any bi-weekly billing cycle as shown in the following rate schedules. Rates P and R shall also be applied to the residential DROP-OFF PROGRAM tonnage.

| |
|--|
| <p>TABLE 2. SVRP RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, TRANSPORT, COMPOST, AND RESIDUAL DISPOSAL</p> |
|--|

| Term | | Daily Average Gross Tonnage Per BIWEEKLY Billing Cycle | | | |
|------|---------------------|--|-------------------------------------|-------------------------------------|--|
| | | <300 TPD | 300 to 499 TPD (300 TPD minimum) | 500 to 999 TPD (500 TPD minimum) | 1000 TPD and above (1000 TPD minimum) |
| P | Organics Processing | | \$147.34 | \$125.46 | \$107.73 |
| | Clean Air Host Fee | | \$0.28 | \$0.28 | \$0.28 |
| | Total Organics Rate | N/A | \$147.63 | \$125.75 | \$108.02 |
| R | Residue | | \$121.36 | \$101.30 | \$86.65 |
| | Clean Air Host Fee | | \$0.28 | \$0.28 | \$0.28 |
| | Total Residue Rate | N/A | \$121.64 | \$101.58 | \$86.93 |

TABLE 3. WTR RATE SCHEDULE FOR ORGANIC WASTE RECEIPT, PROCESSING, TRANSPORT, COMPOST, AND RESIDUAL DISPOSAL

| Term | | Daily Average Gross Tonnage Per BIWEEKLY Billing Cycle | | | |
|------|---------------------|--|-------------------------------------|-------------------------------------|--|
| | | <100 tpd | 100 to 249 TPD (100 TPD minimum) | 250 to 499 TPD (250 TPD minimum) | 500 TPD and above (500 TPD minimum) |
| P | Total Organics Rate | N/A | \$152.15 | \$141.07 | \$137.38 |
| R | Total Residue Rate | N/A | \$83.33 | \$80.91 | \$75.25 |

- 11.5 The P and R rates in Tables 2 and 3 shall be effective at the start of the CONTRACT, and shall be adjusted each July 1st thereafter for the term of the AGREEMENT using an annual inflation factor calculated as follows.

$$IN = [(CPI-WST_a) : (CPI-WST_b)], \text{ where:}$$

IN = the annual inflation factor;
CPI-WST_a = the average CPI-WST over a 12-month period for the current year;
CPI-WST_b = the average CPI-WST over a 12-month period for the prior year.

The CPI-WST shall be the value published by the Bureau of Labor Statistics, U.S. Department of Labor annual inflation factor for the Water, Sewer, and Trash Collection Services (Series ID CUUR0000SEHG). The annual inflation factor (IN) shall not exceed six percent (6%) in any given year. The 6% annual inflation factor (IN) limit shall not be applied to pass-through taxes, host fees, Clean Air Host fee, import fees, governmental

fees or CHANGE IN LAW.

If the calculated annual inflation factor would exceed 6% in any given year, but is capped at 6% as provided above, then the excess shall be carried forward and added to the next year's calculated annual inflation factor, to the extent the next year's calculated annual inflation factor is less than 6%. Excess amounts shall be carried forward indefinitely until added to a subsequent year's inflation factor or the AGREEMENT terminates. For example, if in 4 consecutive years the calculated inflation factors were 9%, 7%, 4% and 3%, then, after applying the 6% cap and carrying forward the excess amounts, the inflation factors used to adjust the rates for those same 4 years would be 6%, 6%, 6% and 5%, respectively.

- 11.6 Should the CONTRACTOR experience substantial increased costs associated with the services it is providing pursuant to this AGREEMENT, which are outside its control including, without limitation, a CHANGE IN LAW, the CONTRACTOR may request an increase in the P and R rates based on cost substantiation. The CONTRACTOR agrees to provide the CITY with substantiated written documentation supporting its request for any increase in the P and R rates to the CITY. The CITY shall have the right to review the documentation and either agree to pay the requested increase, a different negotiated amount, or deny the CONTRACTOR'S request. Examples of increased costs outside of the CONTRACTOR'S control include, but are not limited to, changes in regulatory and tax requirements. 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. An increase in the P and R rates pursuant to this Section 11.6 shall be in addition to the annual inflation factor (IN) adjustment.

11.7 Adjustments Due to CHANGE IN LAW

Subject to substantiation of costs, CONTRACTOR may adjust the P and R rates to recover any costs incurred as a result of a CHANGE IN LAW exclusive of any changes in tax law or CHANGE IN LAWS that impose governmental fees, occurring after Contractor's signature date and prior to approval by Council.

CONTRACTOR shall notify the CITY within thirty (30) CALENDAR DAYS after the CONTRACTOR determines that any CHANGE IN LAW will require an adjustment in the P and R rates. In such notice the CONTRACTOR shall describe the CHANGE IN LAW and provide the reasons for the adjustment in the P and R rates. CONTRACTOR shall provide in the first bi-weekly invoices prepared for the CITY in accordance with Section 11.1, cost substantiation, including cost records and worksheets to support CONTRACTOR'S claim for the adjustment, and provide the total adjustment to the P and R rates for all CHANGES IN LAW exclusive of any changes in tax law or CHANGES IN LAW that impose governmental fees that have occurred since the CONTRACT DATE. CONTRACTOR shall not charge the CITY and the CITY shall not

be obligated to pay the CONTRACTOR any actual or accrued costs associated with any CHANGE IN LAW unless and until the CITY is notified by the CONTRACTOR, in writing, of such CHANGE IN LAW. Furthermore, the CONTRACTOR may include in the P and R rates, as provided in this section, only the related or actual accrued costs associated with any CHANGE IN LAW that CONTRACTOR has incurred subsequent to providing such notice to the CITY.

If at any time the adjustment in the Service Fee for a single CHANGE IN LAW results in an increase in the Service Fee of more than twenty-five percent (25%) over what the Service Fee would have been had there been no such CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS written notice to CONTRACTOR. Furthermore, if at any time the total cumulative adjustment for CHANGES IN LAW in the Service Fee, results in an increase in the Service Fee of more than seventy-five percent (75%) over what the Service Fee would have been had there been no CHANGES IN LAW, then the CITY will have the option to terminate the AGREEMENT upon thirty (30) CALENDAR DAYS written notice to CONTRACTOR. Notwithstanding anything to the contrary in the forgoing, CONTRACTOR may, in its sole discretion, prior to any noticed termination date choose to absorb all or a portion of the increased cost due to CHANGE IN LAW to keep the increase paid by the CITY below these thresholds and in such case the CITY will not have the right to terminate this AGREEMENT in accordance with Section 11.7.

- 11.8 The CITY'S obligation to provide compensation to the CONTRACTOR under this AGREEMENT shall only be to the extent of the CITY appropriation to fund this AGREEMENT. No action, statement or omission of any officer, agent or employee of the CITY shall impose any obligation upon the CITY, such officer, agent or employee of the CITY, except to the extent the CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT. No work shall create an immediate indebtedness nor shall indebtedness arise against the CITY for said work until and unless there is an appropriation of funds to pay for said work. However, if CITY shall appropriate funds for any successive fiscal years, CITY'S obligations shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.

CONTRACTOR shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until CITY appropriates additional funds for this CONTRACT. If the CITY rejects or disapproves an appropriation request such that the CITY will not appropriate the necessary funds to satisfy its obligation under this AGREEMENT, then CONTRACTOR shall have the right to terminate this AGREEMENT effective within seven (7) CALENDAR DAYS of providing written notice of termination to CITY.

- 11.9 The CITY shall pay the CONTRACTOR for services rendered hereunder in an amount to be calculated and described as set forth in this AGREEMENT. Such sums shall be paid in

accordance with bi-weekly invoices prepared by the CONTRACTOR and submitted to the CITY asset forth in this AGREEMENT..

11.10 Invoicing

The CONTRACTOR shall submit to the CITY one copy of each BIWEEKLY invoice for services rendered, including any Service Fees due for any shortfall in meeting the Minimum Tonnage requirement, from the first through the 15th day of each calendar month by the 25th day of such month and from the 16th day through the end of the calendar month by the 15th day of the subsequent month. Invoices shall be supported by the documents as set forth in Section 11.2.

11.10.1 A Subcontractor Utilization Report (Schedule B) listing subcontractors, monthly amounts invoiced by each subcontractor, and invoiced amounts paid to date to each firm by the CONTRACTOR, shall be submitted as part of the monthly invoice.

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 Report (Schedule B). All invoices shall be subject to audit for a period of five (5) years from the termination of this AGREEMENT.

11.10.2 The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S personnel for invoice preparation. The CITY will not pay for CONTRACTOR'S nor SUBCONTRACTOR'S communication expenses and computer time charges.

11.11 The CITY shall review the CONTRACTOR'S invoice(s) and notify the CONTRACTOR in writing of exceptions or any disputed tonnage within sixty (60) days of receipt. The CONTRACTOR is given sixty (60) days to resubmit a corrected invoice. The total invoice amount less any exceptions or disputed tonnage shall be considered approved for payment by the CITY. The CITY shall pay the CONTRACTOR all amounts approved for payment in a timely manner but not later than sixty (60) days after the CITY PROJECT MANAGER receives the CONTRACTOR'S invoices.

11.12 Invoices and supporting documentation shall be submitted electronically to:

Solid Resources Support Services Project Manager
Attn: James Roska
Email: James.Roska@lacity.org

11.13 The CITY shall not be responsible for the payment of invoices or supplemental invoices submitted to the CITY more than sixty (60) days after the date of service.

11.14 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.

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.

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, the 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, reasonable 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 of the negligent act, error, or omission or willful misconduct incident to the performance of this AGREEMENT by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, or employees. 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 03 hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 146 in Exhibit 03 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 03 hereto. Exhibit 03 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 an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold itself out or any of its directors, officers, partners, employees, or agents to be an agent or employee of 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 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

The CONTRACTOR, at its own expense, 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 arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its

SUBCONTRACTORS, in performing the work under this CONTRACT. 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.

ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

ARTICLE 18 – OWNERSHIP AND LICENSE (NOT APPLICABLE)

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 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 Persons:

Solid Resources Support Services Project Manager
Attn: James Roska
Email: James.Roska@lacity.org
Tel: (213) 485-2988

Solid Resources Support Services Senior Environmental Engineer
Attn: Bernadette Halverson
Email: Bernadette.Halverson@lacity.org
Tel: (213) 485-3634

Solid Resources Support Services Division Manager
Attn: Robert Potter

Email: Robert.Potter@lacity.org
Tel: (213) 485-3825

1149 S. Broadway Suite 500
Los Angeles, CA 90015
Fax: (213) 485-2961

CC: Los Angeles Sanitation Assistant Director
Attn: Alexander E. Helou
1149 S. Broadway Suite 900
Los Angeles, CA 90015

To The CONTRACTOR:

Contact Persons:

Name: Marc Harismendy, SVRP Manager
Address: 9227 Tujunga Ave
Sun Valley, CA 91352
Telephone: (626) 825-9495
E-mail: mharisme@wm.com

Name: Bree Breckenridge, [Franchise Account Supervisor]
Address: 9081 Tujunga Ave.
Sun Valley, CA 91352
Telephone: (818) 252-3129
E-mail: bbrecken@wm.com

ARTICLE 21 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, pandemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable

for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier.

In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

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

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

ARTICLE 24 – ENTIRE AGREEMENT

This CONTRACT contains all of the agreements, representations, and understandings of the parties hereto and supersedes any and all previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided. This CONTRACT may be amended only as provided for in the provisions of Article 12 hereof.

ARTICLE 25 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance hereunder 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 and its performance shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Except as otherwise provided in this AGREEMENT, 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.

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 thereby.

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

For the duration of this CONTRACT, the CONTRACTOR shall maintain a 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

Except as to an affiliate, 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 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 shall notify the CITY in writing, as soon as practicable, of any proposed or actual changes in or modifications of the operating permits that would or may have a material adverse impact on CONTRACTOR's performance of its obligations under this AGREEMENT. Such notice for proposed changes shall be made within five (5) OPERATING DAYS and such notice for actual changes shall be made within two (2) OPERATING DAYS from the proposed or actual change, respectively. CONTRACTOR shall provide the CITY with any and all renewals, updates, and modifications to any permit.

CONTRACTOR'S FACILITIES are currently certified or provisionally certified pursuant to LASAN's recycLA Solid Resources Facility Certification Plan. In the event that by December 2023 the facilities utilized by LASAN are no longer certified or provisionally certified by recycLA, CONTRACTOR and LASAN shall meet and confer in good faith regarding the proposed alteration or modification for a period of ninety (90) days to agree upon the scope and implementation of the proposed alteration or modification. Should CONTRACTOR and LASAN not agree to such terms, then the AGREEMENT shall be suspended for the remaining term and neither Party shall be deemed in default or breach of this AGREEMENT. During the period of suspension, CONTRACTOR shall immediately cease the services and the Parties shall not incur any additional obligations, costs, or expenses to each other. The suspension of the AGREEMENT may be terminated prior to the end of the remaining term upon mutual agreement of CONTRACTOR and LASAN.

ARTICLE 30 – BEST TERMS (NOT APPLICABLE)

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 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 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) 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 ORDINANCE 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.

35.2 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Unless otherwise exempt or inapplicable, 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 a 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. CONTRACTOR 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/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform SUBCONTRACTOR outreach activities through BAVN. 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 – SLAVERY DISCLOSURE ORDINANCE

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision. Exhibit 04 is attached hereto and incorporated herein by this reference.

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 11, 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, CONTRACTOR, CONTRACTOR'S principals, and CONTRACTOR'S SUBCONTRACTORS expected to receive at least \$100,000 for performance under the 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 (12) 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 (12) 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 (10) business days if it changes during the twelve-month (12-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 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 14)

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 (NOT APPLICABLE)

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 at CONTRACTOR FACILITIES. 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 (NOT APPLICABLE)

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 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 (NOT APPLICABLE)

ARTICLE 53 - DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE

CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et. seq., 'Disclosure of Border Wall Contracting.' CITY may terminate this CONTRACT at any time if the CITY determines that 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 54 – 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 55 – COVID-19 VACCINATION REQUIREMENTS (NOT APPLICABLE)

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

CITY OF LOS ANGELES

**WASTE MANAGEMENT RECYCLING
AND DISPOSAL SERVICES OF
CALIFORNIA, INC. DBA WASTE
MANAGEMENT**

By: _____

By: _____

Title: Commissioner, Board of Public Works

Title: _____

Date: _____

Date: _____

By: _____

Title: Commissioner, Board of Public Works

Date: _____

**APPROVED AS TO FORM
MICHAEL N. FEUER, City Attorney**

By: _____
Adena Hopenstand

Title: Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Title: Deputy City Clerk

Date: _____