



MEMORANDUM TO: Board of Directors

FROM: Naomi Lue, Zero Waste Supervisor

SUBJECT: ACI Franchise Agreement
(May 1, 2019) Contract Amendment
No. 3 effective July 1, 2022

DATE: April 15, 2022

Contract Amendment No. 3

Attached please see updated changes to the Collection and Processing Services (Franchise) Agreement, executed between Castro Valley Sanitary District and Alameda County Industries (ACI) for July 1, 2022. Please note that affected Article Numbers of the Collection Service Agreement below are not exhaustive but used for general reference.

1. Article 5.6, Billing
 - a. Page 25: Defines “excessive” when a Cart Exchange/Replacement fee may be charged by Contractor
2. Exhibit A, Definitions
 - a. Page A-2: Updated definition for “Approved Back-up Recyclable Materials Processing Facility”
 - b. Page A-2: Updated definition for “Approved Organic Materials Processing Facility”
 - c. Page A-3: Updated definition for “Approved Transfer Facility”
3. Exhibit B2, Multi-Family Residential Services
 - a. Page B2-5: Updated description for “Additional Service”
4. Exhibit G5, Approved Subcontractors
 - a. Page G5-1: Updated subcontractors for “Approved Facility or Subcontractor” and “Services”

Cc: Mr. Anthony Varni, Attorney at Law
ACI – K. Kenney, C. Valbusa, D. Halleck
CVSan – R. Williams, J. Figueiredo, E. Nava, C. Caceres, P. Solanki, file
HF&H Consultants

982 **5.5 COLLECTION VEHICLE REQUIREMENTS**

983 CONTRACTOR shall provide a fleet of Collection vehicles sufficient in number and capacity to
984 efficiently perform the work required by the Agreement in strict accordance with its terms.
985 CONTRACTOR shall have available sufficient back-up vehicles for each type of Collection vehicle
986 used to respond to scheduled and unscheduled maintenance, service requests, complaints, and
987 emergencies. All Collection vehicles shall operate on compressed natural gas (CNG). All such
988 vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow. All such
989 vehicles shall meet On-Road Heavy Duty Vehicle emissions requirements for model year 2019,
990 regardless of the actual model year of CONTRACTOR's vehicles, and generally comply with all
991 Federal, State, and local laws and regulations.

992 Collection vehicles shall present a clean appearance while providing service under this
993 Agreement. CONTRACTOR's name and local telephone number shall be displayed on all
994 vehicles in at least four (4) inch characters. Vehicles shall be equipped with sign board holders or
995 other hardware to allow public education signage of no less than thirty-six (36) by forty-eight (48)
996 inches to be displayed on both sides of the vehicle.

997 CONTRACTOR shall inspect each vehicle daily to ensure that all equipment is operating properly.
998 Vehicles that are not operating properly shall be taken out of service until they are repaired and
999 operate properly. CONTRACTOR shall repair, or arrange for the repair of, all of its vehicles and
1000 equipment for which repairs are needed because of accident, breakdown or any other cause so
1001 as to maintain all equipment in a safe and operable condition. DISTRICT Contract Manager may
1002 inspect vehicles at any reasonable time, and within three (3) calendar days of such a request, to
1003 determine compliance with sanitation requirements.

1004 All Collection operations shall be conducted as quietly as possible and shall conform to applicable
1005 Federal, State, County, and DISTRICT noise level regulations, including the requirement that the
1006 noise level during the stationary compaction process not exceed sixty (60) decibels with the
1007 exception of sixty-five (65) decibels for one-minute duration. All decibel readings shall be based
1008 on a distance of ten (10) feet from any part of the Vehicle. The DISTRICT may request
1009 CONTRACTOR to check any piece of equipment for conformance with the noise limits in
1010 response to complaints and/or when the DISTRICT Contract Manager believes it is reasonable
1011 to do so.

1012 **5.6 CONTAINER REQUIREMENTS**

1013 Prior to the Commencement Date, the DISTRICT will have assumed ownership of all Carts in
1014 service in the DISTRICT at that time, and will transfer any existing inventory of Carts not in service
1015 to CONTRACTOR for purposes of storing, maintaining, and distributing such Carts to Customers.
1016 CONTRACTOR shall be responsible for purchasing new Carts throughout the Term of this
1017 Agreement and replacing the existing inventory as Carts become unserviceable. CONTRACTOR
1018 shall procure and provide all Bins and Drop Boxes to all Customers subscribing to Bin and Drop
1019 Box service. CONTRACTOR-provided Containers shall be designed and constructed to be
1020 watertight and prevent the leakage of liquids. All Carts shall display the DISTRICT's name, logo,
1021 telephone number, website, and some identifying inventory or serial number. All Bins and Drop
1022 Boxes shall display the CONTRACTOR's name, telephone number, website, and some identifying
1023 inventory or serial number.

1024 In the interest of creating effective and consistent public education and outreach, CONTRACTOR
1025 will utilize its Containers to reinforce public education messages. All Recyclable Materials Carts,

1026 Bins and other Containers shall be blue in color. All Organic Materials Carts, Bins and other
1027 Containers shall be green in color. All Garbage Carts, Bins and other Containers shall be grey in
1028 color. CONTRACTOR's Containers shall also be labeled with a list of acceptable and prohibited
1029 materials which complies with the requirements of the Alameda County Mandatory Recycling
1030 Ordinance. Specific color selections and labels shall be approved by the DISTRICT Contract
1031 Manager prior to placing the order for any new Containers.

1032 All Containers shall be maintained in a safe, serviceable, and functional condition and present a
1033 clean appearance. Customers using Carts shall be responsible for cleaning such Carts.
1034 CONTRACTOR shall resolve any Customer complaints related to any damaged Container(s) by
1035 repairing, to the Customer's satisfaction, or replacing such Container(s) within three (3) Business
1036 Days of CONTRACTOR's first receipt of the Customer complaint. CONTRACTOR shall steam
1037 clean and repaint all Containers, except Carts, as requested by Customer or as deemed
1038 necessary by CONTRACTOR or DISTRICT Contract Manager to present a clean appearance. A
1039 Cart Exchange/Replacement fee may be charged to the Customer by Contractor in cases when
1040 the number of Cart exchanges or Cart replacements is deemed excessive (i.e. more than two (2)
1041 requests in twelve (12) consecutive months) by the DISTRICT Contract Manager, or if Customer
1042 requests steam cleaning, or painting more frequently than one (1) time per year. If any Container
1043 is impacted by graffiti, CONTRACTOR shall remedy the situation within fourteen (14) calendar
1044 days of notification at no additional charge.

1045 **5.7 PERSONNEL**

1046 **A. General.** CONTRACTOR shall furnish such qualified personnel as may be necessary to
1047 provide the services required by this Agreement in a safe and efficient manner.
1048 CONTRACTOR shall designate at least one (1) qualified employee as DISTRICT's
1049 primary point of contact with CONTRACTOR who is principally responsible for Collection
1050 operations and resolution of service requests and complaints. Such individual shall be
1051 empowered to negotiate on behalf of and bind CONTRACTOR with respect to any
1052 changes in scope, dispute resolution, compensation adjustments, and service related
1053 matters which may arise during the Term of this Agreement.

1054 CONTRACTOR shall use its best efforts to assure that all employees present a neat
1055 appearance and conduct themselves in a courteous manner. CONTRACTOR shall not
1056 permit its employees to accept, demand, or solicit, directly or indirectly, any additional
1057 compensation, or gratuity from Customers or members of the public.

1058 **B. Hiring of Displaced Employees.** CONTRACTOR is aware of and shall comply with the
1059 requirements of and duties imposed by Sections 1072 and 1075 of the California Labor
1060 Code regarding offers of employment to any displaced employees resulting from a change
1061 in service provider, if any, resulting from this Agreement or upon the expiration of this
1062 Agreement.

1063 The minimum staffing positions to be provided by CONTRACTOR to perform the services
1064 described herein to the DISTRICT are identified in Exhibit H. Failure to consistently
1065 maintain these staffing levels during the Term of the Agreement shall be considered a
1066 material breach.

1067 **C. Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate
1068 class, issued by the California Department of Motor Vehicles. CONTRACTOR shall use
1069 the Class II California Department of Motor Vehicles employer "Pull Notice Program" to

EXHIBIT A DEFINITIONS

“Applicable Law” means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, and Processing of Recyclable Materials, Organic Materials, Garbage, and C&D that are in force on the Effective Date and as may be enacted, issued or amended during the Term of this Agreement. Applicable Law includes, but is in no way limited to, AB 939, AB 341, AB 1826, SB 1383, and the Alameda County Mandatory Recycling Ordinance.

“Approved Back-up Facility(ies)” means any one of or any combination of the: Approved Back-up C&D Processing Facility; Approved Back-up Organic Materials Processing Facility; or Approved Back-up Recyclable Materials Processing Facility.

“Approved Back-up C&D Processing Facility” means the Zanker Recycling Facility located in San Jose, CA which is owned and operated by Zanker Road Resource Management.

“Approved Back-up Organic Materials Processing Facility” means the ACI Transfer Facility, which is owned and operated by Alameda County Industries, LLC.

“Approved Back-up Recyclable Materials Processing Facility” means the ~~Tri-CED Community Recycling Facility located in Union City, CA which is owned and operated by Tri-CED Community Recycling~~ SMART Station located in Sunnyvale, CA which is owned by the cities of Sunnyvale, Mountain View, Palo Alto and Sunnyvale; the Newby Island Recyclery with is owned by Republic Services, Inc.

“Approved Bulky Item Processing Facility” means the ACI Limited Volume Transfer Operation located in San Leandro, CA or the Davis Street Transfer Station located in San Leandro, CA which is owned and operated by Waste Management or the Zanker Recycling Facility located in San Jose, CA which is owned and operated by Zanker Road Resource Management.

“Approved C&D Processing Facility” means the Davis Street Transfer Station, which is owned and operated by Waste Management or the Zanker Recycling Facility located in San Jose, CA which is owned and operated by Zanker Road Resource Management.

“Approved Facility(ies)” means any one of or any combination of the: Approved Bulky Items Processing Facility; Approved C&D Processing Facility; Approved Mixed Waste Processing Facility; Approved Organic Materials Processing Facility; Approved Recyclable Materials Processing Facility; Approved Reusable Materials Processing Facility; Approved Transfer Facility; Approved Back-up Facilities; and/or Designated Disposal Facility.

“Approved Mixed Waste Processing Facility” means the ACI MRF, which is owned and operated by Alameda County Industries, LLC.

“Approved Organic Materials Processing Facility” means the City of Napa Materials Diversion Facility, which is owned by City of Napa- and the Altamont Compostable Materials Handling Facility (CASP), which is owned and operated by Waste Management of Alameda County.

EXHIBIT A DEFINITIONS

“Approved Processing Facility(ies)” means any one of or any combination of the: Approved Bulky Items Processing Facility; Approved C&D Processing Facility; Approved Mixed Waste Processing Facility; Approved Organic Materials Processing Facility; Approved Recyclable Materials Processing Facility; Approved Reusable Materials Processing Facility; and/or, Approved Transfer Facility.

“Approved Recyclable Materials Processing Facility” means the ACI MRF which is owned and operated by Alameda County Industries, LLC.

“Approved Reusable Materials Processing Facility” means the ACI Bulky Item Storage and Sorting Operation, which is owned and operated by Alameda County Industries, Inc.

“Approved Transfer Facility” means the ACI Transfer Facility, which is owned and operated by Alameda County Industries, Inc., and the Davis Street Transfer Station, which is owned and operated by Waste Management of Alameda County.

“Bin” means a Container with capacity of approximately one (1) to seven (7) cubic yards, with a hinged lid, and with wheels (where appropriate), that is serviced by a front end-loading Collection vehicle.

“Bulky Item” means discarded appliances (including refrigerators), furniture, tires, carpets, mattresses, E-Waste, and similar large items which can be handled by two (2) people, weigh no more than two hundred (200) pounds, and require special Collection due to their size or nature, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky Items must be generated by the Customer and at the service address wherein the Bulky Items are Collected. Bulky Items do not include abandoned automobiles, large auto parts, trees, Construction and Demolition Debris, or items herein defined as Excluded Waste.

“Business Days” mean days during which the DISTRICT Offices are open to do business with the public.

“Canyonlands” means and refers to the geographic area located within the DISTRICT limits which is defined by the map in Exhibit K.

“Cart” means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of 20, 32, 64 or 96 gallons (or similar volumes, as approved by the DISTRICT).

“Change in Law” means any of the following events or conditions that has a material and adverse effect on the performance by the Parties or any Subcontractor of their respective obligations under this Agreement (except for payment obligations) or on the activities of any Approved Facility in connection with this Agreement:

EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

Multi-Family Customers subscribing to Cart service may purchase Extra Service Tags for additional Garbage. Garbage must be placed in a Customer-provided bag, with the Extra Service Tag affixed and clearly visible, and placed next to their Garbage Container for Collection. Customers shall not be required to schedule such extra service in advance.

CONTRACTOR shall make Extra Service Tags readily available to Multi-Family Cart Customers through the mail, at CONTRACTOR's office at 610 Aladdin Ave., San Leandro, CA 94577, or at the DISTRICT office. The CONTRACTOR shall maintain a sufficient inventory of Extra Service Tags to accommodate additional Garbage.

Other Requirements: CONTRACTOR shall make contact with each and every Multi-Family Customer in advance of the Commencement Date to determine appropriate Container sizes and service frequency.

CONTRACTOR shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and service Containers (additional charge may apply).

4. Bulky Item/Reusable Materials Collection

CONTRACTOR shall Collect Bulky Items and Reusable Materials from Multi-Family Customers and Transport the Collected materials to the Approved Reusable Materials Processing Facility for Processing.

Containers: Not applicable

Service Level: Up to two (2) cubic yards per Dwelling Unit of Acceptable Materials.

Service Frequency: Up to one (1) time per year (as requested by Multi-Family Customer).

Service Location: Curbside or other Customer-selected service location at the Multi-Family Premises.

Acceptable Materials: Reusable Materials, Bulky Items, Recyclable Materials, Organic Materials, Garbage, E-Waste, and U-Waste

Prohibited Materials: Hazardous Materials, abandoned automobiles, trees, Excluded Waste or any single item (e.g., large auto parts, etc.) that exceeds two hundred (200) lbs. in weight

Additional Service: Upon Multi-Family Customer request, CONTRACTOR shall Collect additional Acceptable Materials which exceed the required Service Level and may charge the appropriate Rate approved by the DISTRICT.

CONTRACTOR shall provide additional Collection events for a Customer beyond one (1) per year and may charge the appropriate Rate approved by the DISTRICT. Each Bulky Item/Reusable Materials Collection Event shall be subject to the same Service Level as identified above.

EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

~~Upon Customer request~~ Annually, in June each Year. CONTRACTOR shall provide to each Multi-Family Dwelling complex one (1) voucher for free drop-off of up to two (2) cubic yards per year of Bulky Items at the Davis Street Transfer Station, or Approved Reusable Materials Processing Facility at no additional charge.

Other Requirements: CONTRACTOR shall provide the service to the Customer within five (5) Business Days of the Customer's requested service date, as mutually agreed upon by the Customer and CONTRACTOR. CONTRACTOR shall not Dispose of materials Collected through the Bulky Item/Reusable Materials Collection program unless the materials cannot be reused or Recycled. CONTRACTOR shall Process and Dispose of Bulky Items and Reusable Materials Collected from Customers in accordance with the following hierarchy: (1) Reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or Recycling; (3) Recycle; and if none of the other options are practicable, (4) Dispose.

5. Rate Bundling Options for Customization of Service Subscription

A. Cart Service. Multi-Family Cart Rates include Recyclable Materials, and Organic Materials Collection Service, in an amount at least equivalent to the weekly gallons of subscribed Garbage Service. For the purpose of this Section, subscription levels refer to total weekly Collection capacity, and may be achieved through different mixes of Cart sizes and quantities. For example, if a Customer subscribes to a 64-gallon Garbage Cart, Collected one-time per week, the Customer will be entitled to receive a 64-gallon Recyclable Materials (or two 32-gallon Recyclable Materials Carts), and a 64-gallon Organic Materials Carts (or two 32-gallon Organic Materials Carts), also Collected one-time per week. In the event a Customer subscribes to a 20-gallon Garbage Cart, such Customer shall be entitled to receive 32-gallon Carts for Recyclable Materials and Organic Materials.

B. Bin Service. Multi-Family Bin Customers subscribing to either Recyclable Materials, Organic Materials, or Garbage service in 3-cubic yard or smaller Containers, regardless of service frequency, shall have the option to select an equivalent level of Collection service for a second material type (either Recyclable Materials, Organic Materials, or Garbage) included in the Rate for that Service Level. Customers requiring Collection of the remaining material type may separately subscribe with CONTRACTOR for such service. For example, under this Section, Customers may select between the following:

- Customer subscribes to 3-cubic yard or smaller Container for Recyclable Materials, receives an equivalent level of Organic Materials Collection service at no additional charge, and separately subscribes to Garbage Collection service;
- Customer subscribes to 3-cubic yard or smaller Container for Recyclable Materials, receives an equivalent level of Garbage Collection service at no additional charge, and separately subscribes to Organic Materials Collection service;

EXHIBIT G5 APPROVED SUBCONTRACTORS

In accordance with Section 3.3 of the Agreement, the DISTRICT has approved the following Subcontractors to manage the specified services and otherwise assist the CONTRACTOR in the performance of the requirements of this Agreement.

Approved Facility or Subcontractor	Services
Waste Management of Alameda County, Davis Street Transfer Station	C&D Processing Services, <u>Bulky Materials Processing Services, Transfer Services</u>
Napa Recycling and Composting Facility	Organic Materials Processing Services
<u>Waste Management of Alameda County, Altamont Compostable Materials Handling Facility (CASP)</u>	<u>Organic Materials Processing Services (primarily holiday trees)</u>
Waste Management of Alameda County, Davis Street Transfer Station	Bulky Materials Processing Services
<u>Newby Island Recyclery</u>	<u>Recyclable Materials Processing</u>
<u>SMART Station</u>	<u>Recyclable Materials Processing</u>
Zanker Recycling Facility Recovery	Bulky Materials Processing Services