



MEMORANDUM TO: Board of Directors
FROM: Naomi Lue, Zero Waste Supervisor
SUBJECT: ACI Franchise Agreement
(May 1, 2019) Contract Amendment
No. 4 effective July 1, 2023
DATE: April 14, 2023

Contract Amendment No. 4

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, 2023. Please note that affected Article Numbers of the Collection Service Agreement below are not exhaustive but used for general reference.

1. Table of Contents
 - a. Pages i, ii, and iii: Various page numbers will be updated upon final formatting
2. Article 5.12, Diversion Requirements
 - a. Pages 29, 30, and 31: Adds “Figure 5.12.D Construction & Demolition (C&D) Zero Waste Targets” and an updated description
3. Article 7.1 Contract Administration Fee
 - a. Page 33: Adds Figure 5.12.D in the description of “Additional Fee Amounts for Diversion Non-Performance”
4. Exhibit A, Definitions
 - a. Page A-2: Updated definition for “Approved C&D Processing Facility”
5. Exhibit B1, Single-Family Residential Services
 - a. Pages B1-4 and B1-5: Updated description for “Used Oil Collection”
6. Exhibit G5, Approved Subcontractors
 - a. Page G5-1: Updated subcontractors for “Approved Facility or Subcontractor” and “Services”

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List of Exhibits

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- K. Map of Canyonlands Area**
- L. Guaranty Agreement**

1158 environmentally preferable materials and supplies; and, (4) source reduction and pollution
 1159 prevention strategies for CONTRACTOR’s operations. CONTRACTOR shall include a summary
 1160 of their environmentally-preferable purchasing activities in their Annual Report to DISTRICT (e.g.,
 1161 volume of recycled content paper purchased, purchase or acquisition of reused items, source
 1162 reduction strategies implemented during the year and the quantified results of that strategy, etc.).

1163 **5.11 LOCAL PURCHASING PREFERENCE**

1164 CONTRACTOR shall, throughout the Term of this Agreement, give preference to purchasing
 1165 materials and supplies used in connection with Agreement from local vendors within the County
 1166 or State; and in that order of preference. At a minimum, CONTRACTOR shall purchase the
 1167 following items from vendors within the County: vehicle supplies (e.g., fuel; fluids; tires; parts, to
 1168 the extent available; etc.); printing and publishing services for any and all public education and
 1169 outreach materials required to be provided by CONTRACTOR; uniforms, safety
 1170 clothing/equipment, and work boots; and office supplies, unless otherwise approved by the
 1171 DISTRICT Contract Manager.

1172 **5.12 DIVERSION REQUIREMENTS**

1173 CONTRACTOR shall perform services under this Agreement in a manner which supports the
 1174 DISTRICT’s Zero Waste Policy goals, and at all times complies with and supports the Alameda
 1175 County Mandatory Recycling Ordinance. This includes, but is not limited to, providing services,
 1176 education, and outreach to Customers and in the community which promote source reduction,
 1177 reuse, Recycling, Composting, and other methods to reduce landfill Disposal. CONTRACTOR’s
 1178 management and Customer service personnel (e.g. General Manager, Finance Officer, CSRs,
 1179 etc.) are expected, during each and every one of their interactions with Customers, to promote
 1180 the DISTRICT’s “Zero Waste” principals, and, when appropriate, to suggest opportunities for
 1181 Customers to increase the relative level of Recyclable Materials and Organic Materials service
 1182 received compared to the level of Garbage service received through downsizing the Garbage
 1183 subscription level, and to reduce the overall level of Solid Waste (including Recyclable Materials
 1184 and Organic Materials) discarded. CONTRACTOR’s operations personnel are expected, when
 1185 approached by Customers, to do the same. CONTRACTOR shall use its best efforts to achieve
 1186 the following minimum Diversion and overall generation reduction targets:

1187 **Figure 5.12.A**
 1188 **Single-Family Zero Waste Targets**

	Avg Mo. Accounts	Garbage Tons	Recycling Tons	Organics Tons	All Mats. Tons	Diversion %	Tons/Acct /Yr.
2014 Actual	14,913	8,101	6,860	8,485	23,446	65.4%	1.57
2015 Actual	14,993	8,094	6,942	8,554	23,590	65.0%	1.54
2016 Actual	14,973	7,687	6,252	8,630	22,569	65.9%	1.51
2020 Target						67.8%	1.48
2021 Target						70.2%	1.48
2022 Target						72.6%	1.49
2023 Target						75.2%	1.49
2024 Target						77.9%	1.50
2025 Target						80.7%	1.50
2026 Target						83.5%	1.50
2027 Target						86.5%	1.51

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**Figure 5.12.B
Multi-Family Zero Waste Targets**

	Avg Mo. Accts	Garbage Tons	Recycling Tons	Organics Tons	All Mats. Tons	Diversion %	Tons/Acct /Yr.
2014 Actual	162	1,502	540	224	2,266	33.7%	13.99
2015 Actual	162	1,503	612	252	2,367	36.5%	14.61
2016 Actual	164	1,766	595	317	2,678	34.1%	16.33
2020 Target						35.7%	15.66
2021 Target						37.2%	15.71
2022 Target						38.6%	15.76
2023 Target						40.2%	15.80
2024 Target						41.8%	15.85
2025 Target						43.5%	15.90
2026 Target						45.2%	15.95
2027 Target						47.1%	16.00

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**Figure 5.12.C
Commercial, District, School, Drop Box (excl. C&D) Zero Waste Targets**

	Avg Mo. Accts	Garbage Tons	Recycling Tons	Organics Tons	All Mats. Tons	Diversion %	Tons/Acct /Yr.
2014 Actual	402	3,360	800	472	4,632	27.5%	11.52
2015 Actual	387	3,871	931	636	5,438	28.8%	14.05
2016 Actual	395	5,006	1,160	1,138	7,304	31.5%	18.49
2020 Target						33.5%	17.94
2021 Target						34.7%	17.99
2022 Target						36.0%	18.05
2023 Target						37.3%	18.10
2024 Target						38.7%	18.16
2025 Target						40.1%	18.22
2026 Target						41.6%	18.27
2027 Target						43.2%	18.33

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**Figure 5.12.D (Added July 1, 2023)
Construction & Demolition (C&D) Zero Waste Targets**

	<u>C&D* Tons</u>	<u>Diverted** C&D Tons</u>	<u>Diversion Actual %</u>	<u>Diversion Target %</u>
<u>2020 Actual</u>	<u>656</u>	<u>502</u>	<u>76.6%</u>	<u>65.0%</u>
<u>2021 Actual</u>	<u>228</u>	<u>163</u>	<u>71.6%</u>	<u>65.0%</u>
<u>2022 Actual</u>	<u>315</u>	<u>271</u>	<u>86.1%</u>	<u>65.0%</u>
<u>2023 Target</u>				<u>65.0%</u>
<u>2024 Target</u>				<u>65.0%</u>
<u>2025 Target</u>				<u>65.0%</u>
<u>2026 Target</u>				<u>65.0%</u>
<u>2027 Target</u>				<u>65.0%</u>

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1200 * Includes concrete, inerts, and wood. ** Includes Alternate Daily Cover (ADC).

1201 Failure to achieve any target presented in Figures 5.12.A, 5.12.B, ~~or~~ 5.12.C, and/or 5.12.D in any
1202 calendar year shall result in adjustments to the Contract Administration Fee, as described in
1203 Section 7.1. Values for calendar years 2014-2016 have been provided as an example to
1204 demonstrate calculation of the targets.

1205 **ARTICLE 6.**
1206 **RECORD KEEPING AND REPORTING**

1207 **6.1 RECORD KEEPING**

1208 CONTRACTOR shall maintain accounting, statistical, operational, and other records related to its
1209 performance as shall be necessary to provide reporting under this Agreement, Applicable Law,
1210 and to demonstrate compliance with this Agreement. Unless otherwise required in this Article,
1211 CONTRACTOR shall retain all records and data required to be maintained by this Agreement for
1212 the Term of this Agreement plus three (3) years after its expiration or earlier termination. Records
1213 and data shall be in chronological and organized form and readily and easily interpreted. Upon
1214 request, any such records shall be retrieved within ten (10) Business Days of a request by the
1215 DISTRICT Contract Manager and made available to the DISTRICT Contract Manager.
1216 CONTRACTOR shall maintain adequate record security to preserve records from events that can
1217 be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data
1218 and records shall be protected and backed-up. To the extent that CONTRACTOR utilizes its
1219 computer systems to comply with record keeping and reporting requirements under this
1220 Agreement, CONTRACTOR shall, on a monthly basis, save all system-generated reports
1221 supporting those record keeping and reporting requirements in a static format in order to provide
1222 an audit trail for all data required.

1223 DISTRICT views its ability to defend itself against Comprehensive Environmental Response,
1224 Compensation and Liability Act (CERCLA), and related litigation as a matter of great importance.
1225 For this reason, DISTRICT regards its ability to prove where Collected Recyclable Materials,
1226 Organic Materials, Garbage, and C&D are taken for Transfer, Processing, or Disposal.
1227 CONTRACTOR shall maintain records which can establish where Recyclable Materials, Organic
1228 Materials, Garbage, and C&D Collected were Transferred, Processed, or Disposed. This
1229 provision shall survive the expiration or earlier termination of this Agreement. CONTRACTOR
1230 shall maintain these records for a minimum of ten (10) years beyond expiration or earlier
1231 termination of the Agreement. CONTRACTOR shall provide these records to DISTRICT (upon
1232 request or at the end of the record retention period) in an organized and indexed manner rather
1233 than destroying or Disposing of them.

1234 **6.2 REPORT SUBMITTAL REQUIREMENTS**

1235 CONTRACTOR shall submit monthly reports no later than twenty (20) calendar days after the
1236 end of the reporting month. Quarterly reports shall be submitted within twenty (20) calendar days
1237 after the end of the calendar quarter. CONTRACTOR shall submit annual reports no later than
1238 forty-five (45) calendar days after the end of each calendar year. Monthly, quarterly, and annual
1239 reports shall, at a minimum, include all data and information as described in Exhibit D. Reports
1240 shall be due the next business day when the due date falls on a Saturday, Sunday or Holiday.

1241 CONTRACTOR may propose report formats that are responsive to the objectives and audiences

1286 report.

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ARTICLE 7.
DISTRICT FEES AND PAYMENTS

1289 **7.1 CONTRACT ADMINISTRATION FEE**

1290 **A. Standard Contract Administration Fee.** Within twenty (20) calendar days of the end of
1291 each calendar month during the Term of this Agreement, CONTRACTOR shall pay a
1292 Contract Administration Fee to DISTRICT. The amount of the Contract Administration Fee
1293 shall be equal to ten percent (10%) of Gross Receipts for all services performed under this
1294 Agreement and shall be paid in monthly installments. DISTRICT shall use the Contract
1295 Administration Fee to offset expenses including staffing costs related to contract
1296 management, compliance, and monitoring, and to enforce the franchise with respect to
1297 any violations by third parties, including initiating and/or assisting in prosecuting
1298 enforcement actions. The DISTRICT shall retain the sole right to set priorities for its
1299 contract monitoring and enforcement among DISTRICT personnel. This fee shall be a
1300 pass-through cost and included in the adjustment of Rates as described in Exhibit E, with
1301 the exception that any additional amounts paid in accordance with Section 7.1.B shall not
1302 be pass-through costs.

1303 **B. Additional Fee Amounts for Diversion Non-Performance.** In the event that the
1304 CONTRACTOR fails to meet one or more of the minimum Diversion requirements
1305 specified in Figures 5.12.A, 5.12.B, ~~or 5.12.C,~~ and/or 5.12.D of Section 5.12 in any
1306 calendar year, the following amounts shall be added to the Contract Administration Fee in
1307 the subsequent calendar year:

Diversion Target Shortfall	Additional Contract Administration Fee Amount
0.001% - 2.000%	\$10,000.00 per calendar year per sector per target
2.001% or greater	\$25,000.00 per calendar year per sector per target

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1309 Additional Contract Administration Fee payments as described in this Section 7.1.B shall
1310 only be implemented one (1) time per target per sector per year, such that the failure to
1311 achieve a target in one year may not be reflected as cumulative payments in subsequent
1312 years. CONTRACTOR shall submit all additional payments required by this Section 7.1.B
1313 by June 30 of the calendar year directly following the calendar year in which the non-
1314 performance occurred, unless otherwise approved by the DISTRICT Contract Manager.

1315 **7.2 AB 939 FEE**

1316 On July 1 of each Rate Period, CONTRACTOR shall pay an AB 939 Fee to DISTRICT. The
1317 amount of the AB 939 Fee shall be one hundred three thousand nine hundred and seventy-four
1318 dollars (\$103,974) in Rate Period One and shall be paid in a single annual installment. The
1319 amount of the AB 939 Fee for subsequent Rate Periods shall be adjusted annually as follows:

1320 The AB 939 Fee shall be one hundred nine thousand one hundred seventy-two dollars (\$109,172)
1321 in Rate Period Two.

1322 The AB 939 Fee shall be one hundred fourteen thousand six hundred thirty-one dollars (\$114,631)

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 SMART Station located in Sunnyvale, CA which is owned by the cities of Sunnyvale, Mountain View, Palo Alto and Sunnyvale; the Newby Island Recyclery which 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, or the GreenWaste Transfer Station of Hayward located in Hayward, 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 B1

SINGLE-FAMILY RESIDENTIAL SERVICES

4. Used Oil Collection

CONTRACTOR shall Collect Used Motor Oil, Used Motor Oil filters, and Used Cooking Oil placed in a CONTRACTOR-provided Used Oil Recovery Kit from Single-Family Customers and shall Recycle all Used Motor Oil, Used Motor Oil filters, and Used Cooking Oil Collected pursuant to this Agreement.

- Containers:** Used Oil Recovery Kit
- Container Sizes:** Up to three (3) 1-gallon filter bags; and,
Up to three (3) 1-gallon jugs, or up to three (3) customer supplied plastic semi-rigid jugs not to exceed 5-quart/liter per jug (i.e., original containers from new oil)
- Service Frequency:** Up to one (1) time per week on the same day as Garbage Collection service.
- Service Location:** Curbside (adjacent to Recyclable Materials Cart)
- Acceptable Materials:** Used Motor Oil, Used Motor Oil filter, Used Cooking Oil
- Prohibited Materials:** Recyclable Materials, Organic Materials, Garbage, Excluded Waste
- Additional Service:** Not applicable
- Other Requirements:** CONTRACTOR shall provide a Used Oil Recovery Kit to a Customer on the next scheduled service day after such request is made by Customer at no additional cost to Customer. Upon Collection of a full Used Oil Recovery Kit from a Customer, CONTRACTOR shall leave a clean, empty Used Oil Recovery Kit adjacent to the Recyclables Cart. CONTRACTOR shall not be required to Collect more than three (3) Used Oil Recovery Kits per individual Dwelling Unit per week from Single-Family Customers who request it. Upon Collection of a full, customer supplied Used Motor Oil jug, CONTRACTOR shall leave a clean, empty Used Oil Recovery Kit adjacent to the Recyclables Cart only when requested by customer. Upon collection of a Used Motor Oil Filter in a Used Oil Recovery Kit Bag, CONTRACTOR shall leave a clean, empty Used Oil Recover Kit Bag.
- CONTRACTOR shall Recycle the Used Motor Oil, Used Motor Oil filter, and Used Cooking Oil only with Persons who are authorized by the State of California to Recycle such materials. In the event the Used Motor Oil, Used Motor Oil filter, or Used Cooking Oil Collected pursuant to this Agreement is contaminated to the extent that the material requires Disposal as a Hazardous Waste, CONTRACTOR shall dispose of such Collected material, at CONTRACTOR's own cost and expense in accordance with Applicable Law.
- CONTRACTOR shall notify the DISTRICT Contract Manager of any contamination which renders the materials Collected in accordance with this Section unacceptable for Recycling or which requires Disposal of such material as a Hazardous Waste.
- CONTRACTOR shall keep all Used Motor Oil, Used Motor Oil filters, and Used Cooking Oil Collected pursuant to this Agreement segregated from other materials.

EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

CONTRACTOR shall provide Customers who notify CONTRACTOR at least twenty four (24) hours prior to setting out Used Motor Oil and Used Motor Oil filter(s) for Collection with a coupon from the DISTRICT for a new motor oil filter. Such coupon may be redeemed for one (1) oil filter with a maximum value of ~~ten-fifteen~~ dollars (\$~~40~~15) (including tax). If the cost of the oil filter and tax is less than ten dollars (\$4015), the balance shall not transferable, or redeemable for cash, and shall be forfeited. A Used Motor Oil filter must be set out for Collection in order to receive a coupon. CONTRACTOR shall not be required to provide more than one (1) coupon per Single-Family Customer per week. Coupons are redeemable only at participating businesses within the DISTRICT. DISTRICT reserves the right to alter or cancel the coupon program at any time for any reason. Funding for this program shall be provided by the DISTRICT subject to availability of CalRecycle Used Oil Grant funds.

5. Curbside Bulky Item/Reusable Materials Collection

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

- Containers:** Not applicable
- Service Level:** Up to seven (7) cubic yards of Acceptable Materials as defined herein
- Service Frequency:** Up to one (1) time per year (as requested by Customer)
- Service Location:** Curbside, or other location on or adjacent to Customer's Premises, as arranged by Customer and CONTRACTOR, to reduce safety concerns of Collecting Bulky Items along busy streets.
- 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:** CONTRACTOR shall Collect additional Acceptable Materials that exceed the required Service Level (as requested by Customer) and may charge the appropriate Rate approved by the DISTRICT for each additional cubic yard Collected.
- CONTRACTOR shall provide additional Bulky Item/Reusable Materials Collection events to Single-Family Customers, 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.
- 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, with the exception that CONTRACTOR shall not be required to schedule Collection events during the weeks designated for holiday tree Collection (in accordance

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