

**TO:** James L. App, City Manager  
**FROM:** Joseph M. Deakin, Public Works Director  
**SUBJECT:** Solid Waste Program – Regional Recycling Facility Agreement  
**DATE:** November 4, 2003

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**NEEDS:** For the City Council to consider executing an agreement North San Luis Obispo County Recycling Inc. for recyclables processing and associated solid waste/recycling services.

**FACTS:**

1. On April 2, 2002, the City Council resolved to join the San Luis Obispo Integrated Waste Management Authority (IWMA), taking a major step toward solid waste/recycling program success in the City. At that time, the City Council also approved solid waste/recycling program changes with the City's solid waste collection franchisee, Paso Robles Waste Disposal (PRWD). These actions followed the recommendations of the Solid Waste Diversion Study, March 21, 2002.
2. The City and PRWD partner to collect commercial and residential recyclable materials to meet state mandates, and to properly serve the community. The current practice requires PRWD to ship collected recyclables (from the residential curbside collection) to the processing facility at the Cold Canyon Landfill, near San Luis Obispo. The Solid Waste Diversion Study reiterated the finding from the 1994 Source Reduction and Recycling Element (SRRE) that a north county facility would enhance City recycling operations by reducing truck mileage.
3. A north county recycling facility is available to serve the City, now. North San Luis Obispo County Recycling Inc. has completed constructing a recyclables sorting and processing facility in Templeton (Ramada Drive). The facility, at the time of this report, is in final equipment testing before commencing operations. The owner expects the facility to be ready for processing by mid-November.

**ANALYSIS &  
CONCLUSION:**

California State law requires all jurisdictions reach 50% diversion (recycling, reuse, etc.) by the year 2000, or face fines of up to \$10,000 per day. The City continues to look at program improvements in solid waste and recycling to better assure long-term compliance with this mandate.

The City is fortunate to have available a new facility for recyclables processing in the north county. North San Luis Obispo County Recycling Inc. has approached the City requesting an agreement for the City to use the facility, and for the facility to use the City's landfill for disposing residuals from the recyclables sorting. The City staff met with representatives of North San Luis Obispo County Recycling Inc., IWMA and PRWD to discuss the terms of an agreement, and to assure all parties reached a consensus, respectful of the partnerships. The attached agreement is the outcome of the meetings by the parties – City staff, IWMA and PRWD jointly concur with the draft agreement.

The agreement provides that North San Luis Obispo County Recycling Inc. will accept commingled recyclable truckloads from the City's curbside recycling collection program. The loads will be deposited, and recyclable materials will be sorted to provide a marketable commodity. Any waste residuals mixed in will be sorted out, and will ultimately be taken to the City's landfill for disposal. Specific terms include:

- Agreement is for 10 years, base, with 5 additional years optional
- The price paid for commingled disposal is \$9 per ton, paid by PRWD, \$2 per ton is returned to the City as a franchise fee
- The City receives all solid waste residuals at the City landfill, and North San Luis Obispo County Recycling Inc. pays posted landfill rates for disposal

The City Council may choose to enter this agreement with North San Luis Obispo County Recycling Inc. to supplement the current solid waste/recycling program. Currently, the City is served by the Cold Canyon Landfill recyclables processing facility, and the City has the option to allow PRWD to continue to use this source. Furthermore, the City could remain neutral, and allow PRWD to enter an agreement on their own with North San Luis Obispo County Recycling Inc. The option for the City to enter the agreement with North San Luis Obispo County Recycling Inc. provides for the City to stipulate residuals being returned to the City's landfill, and provides franchise fee revenue.

**POLICY**

**REFERENCE:** Council Resolution 94-115 (adopting the 1994 SRRE)

**FISCAL**

**IMPACT:** Paso Robles Waste Disposal (PRWD) indicates there will be no additional cost to use the North San Luis Obispo County Recycling Inc. facility versus the costs now experienced. Therefore, this agreement should not impact current waste/recycling service rates

Franchise fees, at \$2 per ton of commingled recyclables, equates to approximately \$3500 per year of City revenue.

- OPTIONS:**
- A. Authorize the Mayor to execute the Agreement for Services with North San Luis Obispo County Recycling Inc. to provide commingled recyclables processing services to the City.
  - B. Amend, modify or reject the above option.

**Attachments:**

- 1) Agreement for Services

## AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

### PROCESSING COMMINGLED RECYCLABLES

**THIS AGREEMENT** (hereafter Agreement) is made upon the date of execution, as set forth below, by, and between North San Luis Obispo County Recycling Inc., (hereinafter referred to as "CONTRACTOR"), and the City of Paso Robles, a Municipal Corporation, (hereinafter referred to as "CITY").

#### RECITALS

**WHEREAS**, City has determined it is in the public interest to provide recycling services to residential and commercial properties; and

**WHEREAS**, the City franchises the collection of commingled recyclables through a franchise agreement; and

**WHEREAS**, the Contractor has built a facility in Templeton to process commingled recyclables; and

**THEREFORE**, the parties hereto, in consideration of the mutual covenants contained herein, hereby agree to the following terms and conditions:

#### 1.00 GENERAL PROVISIONS

##### 1.01 TERM

CONTRACTOR shall commence performance under this agreement on November 1, 2003 and end performance on October 30, 2013, unless this agreement is earlier terminated or revised pursuant to paragraph 5.05 or 5.06. By further agreement of the parties the agreement may be extended using the procedure in paragraph 1.03.

##### 1.02 SERVICES TO BE PERFORMED BY CONSULTANT

CONTRACTOR agrees to perform or provide the services specified in "SCOPE OF SERVICES" attached hereto as "EXHIBIT A" hereby incorporated herein.

##### 1.03 EXTENSION

CONTRACTOR or City may request a five-year extension to this agreement. The other party shall consider the request but is not obligated to grant an extension. Any request for extension shall be made in writing and received by the other

party no earlier than March 1, 2013 and no later than August 1, 2013.

#### 1.04 COMPENSATION TERMS

CONTRACTOR agrees to pay CITY in accordance with the payment terms set forth in Exhibit "B" which is incorporated by this reference.

### 2.00 RESPONSIBILITIES OF CONTRACTOR

#### 2.01 MINIMUM AMOUNT OF SERVICE BY CONTRACTOR

CONTRACTOR agrees to devote the hours necessary to perform the services set forth in this agreement in an efficient and effective manner. CONTRACTOR may represent, perform services for and be employed by additional individuals or entities, in CONTRACTOR's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City's business.

#### 2.02 TOOLS AND INSTRUMENTALITIES

CONTRACTOR shall provide all tools and instrumentalities to perform the services under this agreement.

#### 2.03 WORKERS' COMPENSATION AND OTHER EMPLOYEE BENEFITS

CITY and CONTRACTOR agrees that CONTRACTOR is an independent contractor and agree that CONTRACTOR's employees and agents have no right to any of the benefits of a CITY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation. CONTRACTOR agrees to hold harmless and indemnify CITY for any and all claims arising out of any claim for injury, disability, or death of any of CONTRACTOR and CONTRACTOR's employees or agents.

#### 2.04 STANDARD OF PERFORMANCE

CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature which CONTRACTOR delivers to CITY pursuant to this Agreement shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at

CITY'S request without additional compensation. Permits, licenses, and State CRV permits shall be obtained and maintained by CONTRACTOR without additional compensation.

#### 2.05 TAXES

CITY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should CITY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse CITY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

#### 2.06 CONFLICT OF INTEREST

CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR.

#### 2.07 PERFORMANCE BOND

The CONTRACTOR shall post a performance bond on file with the City, payable to the City securing the CONTRACTOR's full and faithful performance by the CONTRACTOR of its obligations under the contract and shall be kept in full force and effect by the CONTRACTOR throughout the life of the contract. The principal sum of the bond shall be in the amount equal to three months of operation and maintenance costs of the services under the contract for no less than \$30,000.00.

#### 2.08 INDEMNIFICATION

To the fullest extent allowed by law, the CONTRACTOR shall appear and defend, indemnify and save the CITY, its officers, employees and agents harmless of and from all claims, demands, actions, or causes of action of every kind and description allegedly resulting directly or indirectly, arising out of, or in any way connected with activities of the CONTRACTOR or its employees, agents and subcontractors, or arising or resulting from the failure of CONTRACTOR or its employees, agents and subcontractors to comply in all respects with the provisions and requirements of the contract. If the CITY is required to provide its own defense against any such action or suit, the CONTRACTOR shall reimburse the CITY for all attorney's fees and other costs

incurred by the CITY. The CITY shall have the right to select its own counsel for such defense.

## 2.09 INSURANCE REQUIREMENTS

Without limiting the CONTRACTOR'S indemnification of the CITY, CONTRACTOR shall procure and maintain for the term of the agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, his/her agents, representatives, or employees. Failure to comply with the insurance requirements shall place CONTRACTOR in default.

### A. Minimum Scope and Limits of Insurance

CONTRACTOR shall maintain broad coverage and limits no less than:

1. **Workers' Compensation Insurance** - Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, major change in coverage, or expiration shall be effective or occur until at least thirty (30) days after receipt of such notice by the CITY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the CITY stating that fact.
2. **General Liability** - \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
3. **Automobile Liability** - \$1,000,000 per accident for bodily injury and property damage.
4. **Employee's Liability** - \$1,000,000 per accident for bodily injury or disease.

B. Deductibles and Self-insured Retentions

Any deductibles or self-insured retention's must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects the City, its trustees, officers, employees and volunteers; or the CONTRACTOR shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its trustees, officers, employees and volunteers are to be covered as additional insureds as respects: liability arising out of work or operations performed by or on behalf of the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR.
2. For any claims related to this project, the CONTRACTOR's insurance coverage shall be primary insurance as respects the City, its trustees, officers, employees and volunteers. Any insurance or self-insurance maintained by the City, its trustees, officers, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, and are admitted insurance companies in the State of California, unless otherwise acceptable to the City.

E. Verification of Coverage

CONTRACTOR shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. CONTRACTOR shall submit to the office of the designated CITY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time. Upon request by the CITY, CONTRACTOR shall provide a certified copy of any insurance policy to the CITY within ten (10) working days.

### **3.00 RESPONSIBILITIES OF CITY**

#### **3.01 COOPERATION**

Upon notification by the Contractor that the facility in Templeton is ready to receive material, City agrees to direct its franchised waste hauler to delivery for processing commingled recyclables to the CONTRACTOR. The franchised waste hauler or any other party shall not remove any recyclables from the commingled recyclables prior to delivery of the commingled recyclables to the Contractor. Commingled recyclables include the following: paper products (newspaper, magazines, mail, office paper, telephone books, cardboard, chipboard, etc.), plastic (soda bottles, milk and water jugs and other rigid plastic containers with number 1 through 7 plastic), glass (food and beverage containers), cans (aluminum cans, tin cans, aluminum foil, metal food trays). The density of the commingled recyclables delivered to the Contractor shall not exceed 375 pounds per cubic yard. The City also agrees to comply with all reasonable requests of CONTRACTOR necessary to the performance of CONTRACTOR's duties under this agreement.

### **4.00 TERMINATION OF AGREEMENT**

#### **4.01 BY CITY**

Notwithstanding any other provision of this agreement, CITY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, because of the failure of CONTRACTOR to fulfill the obligations herein. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services effected (unless the notice directs otherwise), and deliver to CITY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been



accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

#### 4.02 BY CONTRACTOR

Should CITY fail to perform to all or any part of this agreement, CONTRACTOR may, at CONTRACTOR's option terminate this agreement if such failure is not remedied by CITY within thirty (30) days of written notice to CITY of such failure.

#### 4.03 TERMINATION ON OCCURRENCE OF STATED EVENTS

This agreement may terminate automatically on the occurrence of any of the following events:

1. Bankruptcy or insolvency of any party;
2. The end of the thirty (30) days as set forth in Section 4.02;
3. End of this contract term or any extension
4. Assignment of this agreement without the written consent of the City.

#### 4.04 TERMINATION BY ANY PARTY FOR DEFAULT OF ANOTHER PARTY

Should any party default in the performance of this agreement or materially breach of any of its provisions, a non-breaching party, at its option, may terminate this agreement, immediately, by giving written notice of termination to the breaching party.

### 5.00 SPECIAL PROVISIONS

#### 5.01 BREACH OF CONTRACT

If CONTRACTOR materially breaches terms of this agreement, CITY shall, in addition to other remedies provided by law, have the following cumulative remedies:

- A. Continue the unfinished work, under this agreement, with a different CONTRACTOR; and
- B. Charge CONTRACTOR for the costs incurred by CITY for the work performed by a different CONTRACTOR until such time that CITY has a City Council approved agreement with a new CONTRACTOR.

## 5.02 NONDISCRIMINATION

During the performance of this agreement, CONTRACTOR will not discriminate against any employee or applicant because of race, religion, creed, color, national origin, sex, age, or disability, whether physical or mental. CONTRACTOR will take affirmative action to insure that applicants employed, are treated during employment, without regard to their race, religion, creed, color, national origin, sex, age, or disability, whether physical or mental.

## 5.03 OWNERSHIP OF DOCUMENTS

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of CITY. CITY shall have the unrestricted authority to publish, disclose, distribute, and other use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

## 5.04 RECORDS, AUDIT, AND REVIEW

CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the performance of the work in this agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. CITY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice. Once the CITY receives records, they may become public records unless exempted by law.

## 5.05 AMENDMENT

With sixty (60) days written notice, any portion of this Agreement may be renegotiated, altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

## 5.06 RATE ADJUSTMENT

After 3 years, either party may request an adjustment to the rates in Exhibit B, Section B. If a rate adjustment is not granted, the party requesting the rate adjustment may terminate the agreement upon 90 days notice.

## 6.00 MISCELLANEOUS

### 6.01 REMEDIES NOT EXCLUSIVE

The remedies set forth in this agreement shall not be exclusive but shall be cumulative with, and in addition to, all remedies now or hereafter allowed by law or equity.

### 6.02 NO WAIVER

No delay or omission of CITY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to CITY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of CITY.

### 6.03 ASSIGNMENT

This agreement is specifically not assignable by CONTRACTOR to any person or entity without the prior written consent of the City. The City may withhold its consent for any reason and is under no obligation to approve an assignment. Any assignment or attempt to assign by CONTRACTOR, without the written consent of the City, whether it be voluntary or involuntary, by operation of law or otherwise, is void and is a material breach of this agreement giving rise to a right to terminate as set forth in Section 4.03.

### 6.04 ATTORNEY FEES

In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this agreement, or the breach thereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.

### 6.05 TIME FOR PERFORMANCE

Except as otherwise expressly provided for in this agreement, should the performance of any act required by this agreement to be performed by either party be prevented or delayed by reason of any act of God, strike, lockout, labor trouble,

inability to secure materials, or any other cause, except financial inability, not in the control of the party required to perform the act, the time for performance of the act will be extended for a period of time equivalent to the period of delay and performance of the act during the period of delay will be excused; provided, however, that nothing contained in this Section shall excuse the prompt payment by either party as required by this agreement or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

#### 6.06 NOTICES

Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this agreement or by law to be served on or given to any party to this agreement shall be in writing and shall be deemed duly served and given when personally delivered or in lieu of such personal service when deposited in the United States mail, first-class postage prepaid to the following address for each respective party:

To CITY:

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To CONTRACTOR: Mr. Brad Goodrow  
North San Luis Obispo County Recycling Inc.

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or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

#### 6.07 GOVERNING LAW

This agreement and all matters relating to this agreement shall be governed by the laws of the State of California in force at the time any decision or holding concerning this agreement arises.

#### 6.08 COMPLIANCE WITH LAW

CONTRACTOR shall, at his sole cost and expense, comply with all CITY, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether CITY be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and CITY.

#### 6.09 BINDING EFFECT

This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this Section shall be construed as a consent by City to any assignment of this agreement or any interest in this agreement.

#### 6.10 INTEGRATION CLAUSE

This agreement (including any original counterparts executed by the parties) constitutes the sole and entire agreement between the parties with respect to the subject matter hereof.

This agreement correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement.

All agreements or representations respecting the subject matter of this agreement not expressly set forth or referred to in this agreement are null and void.

#### 6.11 SEVERABILITY

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

#### 6.12 TIME

Time is expressly declared to be of the essence of this agreement.

#### 6.13 DUE AUTHORITY

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to

be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

6.14 SECTION HEADINGS

The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

6.15 PRECEDENCE

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on the date executed by CITY.

CONTRACTOR:

CITY:

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

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

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

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

ATTEST:

By: \_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**EXHIBIT A:  
SCOPE OF SERVICES**

**PROCESSING AND MARKETING OF COMMINGLED RECYCLABLES**

**I. Processing**

A. The CONTRACTOR shall supply all labor and equipment necessary to receive, process and market all commingled recyclable material resulting from this contract. For purposes of this contract, "recyclable material" is defined as all material delivered to the CONTRACTOR's facility located at \_\_\_\_\_, collected pursuant to the City's source separated residential and commercial recycling program. CONTRACTOR shall divert all recyclable materials in a manner that is acceptable for diversion credit under AB939. CONTRACTOR shall not landfill, burn or convert for burning the materials diverted, unless otherwise authorized by City.

B. The CONTRACTOR shall receive and process recyclable materials without limitation as to amount, weight or periodic variances in quantity generated. The exact quantity, quality, mix or percentage of recyclables to be delivered under the contract cannot be guaranteed.

C. All process loss and residual from City delivered commingled recyclables shall be delivered and disposed of in the Paso Robles Landfill during the term of this contract. For purposes of this section "process loss" shall mean the difference between the incoming tonnage, and the sum of saleable recyclable tonnage plus contamination.

D. All recyclable materials diverted shall meet or exceed secondary material market specifications for each class of recovered product.

E. CONTRACTOR's facility shall be required to be available to receive commingled recyclable materials Monday through Friday between 8:00 am and 3:00 p.m., and other times as mutually agreed.

F. The City and CONTRACTOR must agree, in writing, to any changes to the recyclable materials collected and processed prior to the addition of the materials to a City route and prior to any notification to the customers of such additions or deletions of materials.

G. CONTRACTOR will assume all liability, ownership and control for the City's recyclable materials, including inadvertent hazardous waste contamination, and the disposal of such materials.

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**II. Liability and Permits**

A. CONTRACTOR warrants that it possesses, and will possess throughout the term of this contract, all federal, state, and local permits needed

to operate the facility that will accept and process the recyclables. CONTRACTOR shall provide current copies of its certifications and permits for MRF operations to the City for the term of this contract.

B. In the case that the CONTRACTOR or the CONTRACTOR's facility is unable to accept recyclables for any reason (equipment failure, permit problems, failure to open facility, etc.), the CONTRACTOR will divert recyclables to an alternate location arranged by the CONTRACTOR and approved by the City. The CONTRACTOR shall pay for all transportation costs and fees charged at the alternate facility arranged by the CONTRACTOR.

C. In the event that the CONTRACTOR is responsible for transporting processed or unprocessed recyclables and for any reason is unable to do so, the CONTRACTOR will arrange for alternative transportation arrangements and pay for costs charged by the alternate transporter.

### **III. Reporting, Record Keeping and Invoices**

A. CONTRACTOR shall have a certified truck scale on-site to weigh all loads of materials. The weigh scales shall be calibrated in accordance with procedures established by the applicable state and local authorities. Each vehicle shall be weighed upon entering and exiting (for those vehicles without tare weight) the CONTRACTOR's processing facility with a certified weight receipt given to driver after tipping the recyclable materials. A copy of the weigh slip shall be submitted to the City with each monthly invoice in a form approved by the City. CONTRACTOR shall maintain a daily log of the sequential ticket number, vehicle number, gross vehicle weight, and tare vehicle weight. Copies of this information will be available to the City when requested.

B. CONTRACTOR shall be required to document, in a form approved by the City, the average amount of contamination and process loss in each load as determined in an annual waste characterization study. A random sort audit of the collected recyclable material may be conducted at the CONTRACTOR's facility when requested by the City to verify contamination rates and will be observed by a City designated representative.

C. On a monthly basis, CONTRACTOR shall submit an invoice, including a compilation of the weight logs as well as the contamination and process loss logs, to the franchised waste hauler with a copy to the City representative designated in the contract by the fifteenth of the month following the service period. CONTRACTOR shall also submit a report on the City of Paso Robles processed recyclables which will include the commodity and gross tonnage for each commodity, percentage of mixture to the total tonnage, residue tonnage, total tonnage, recycled tonnage, and invoice to the franchised waste hauler with a copy to the City for the recycled tonnage in accordance with EXHIBIT B, Section B.



D. CONTRACTOR will prepare all paperwork and provide the City with all necessary information to allow City to prepare necessary reports to State for AB939 reporting.

## **Exhibit B**

### **PAYMENT ARRANGEMENTS**

A. Payment for delivery of commingled recyclables shall be based upon the scope of services contained in **Exhibit A**.

B. **Monthly**, CONTRACTOR shall invoice the CITY's franchised hauler for the gross materials received from the City's residential and commercial commingled recycling program over the period specified. The CITY's franchised hauler will be charged \$9 per ton for delivered recyclable materials from the City's residential and commercial recycling program, delivered in the CITY's franchised hauler's authorized vehicles.

Residual from the City's recycling program, processed through the CONTRACTOR's Material Recovery Facility located at \_\_\_\_\_, shall be disposed of at Paso Robles Landfill. CONTRACTOR will pay the landfill tipping fee.

The CONTRACTOR will pay every month to the City a franchise fee of \$2.00 per ton on every ton of the gross materials received that month from the City's residential and commercial commingled recycling program.

C. CITY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of CITY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.