

**SECOND AMENDMENT TO SERVICE AGREEMENT
(Unincorporated Vallejo)**

This **Second Amendment** is entered into as of the ___ day of _____ 2014, by and between the COUNTY OF SOLANO, a political subdivision of the State of California (“County”) and RECOLOGY VACAVILLE SOLANO (formerly Vacaville Sanitary Service), a California corporation (“Contractor”) to amend the **Service Agreement for Solid Waste, Recyclables and Green Waste Collection, Recycling, Processing and Disposal**, dated February 22, 2005, and as subsequently amended on November 10, 2009 (collectively the “Service Agreement”).

County and Contractor agree to amend the Service Agreement as follows:

1. TERM OF THE SERVICE AGREEMENT. The term shall be extended for an additional ten (10) year period commencing on January 1, 2015, and expiring on December 31, 2024 (“Extended Term”).

2. SERVICE RATES. For the first year of the Extended Term, Contractor shall charge customers in the Service Area according to the schedule of monthly service billing rates as set forth in the revised Exhibit B, attached and incorporated into this Second Amendment.

3. SERVICE RATE INCREASES. Commencing on January 1, 2016 and each January 1st thereafter during the Extended Term, all Service Rates shall be increased by three percent (3.0%) of the service rate for the prior year. This adjustment shall be in lieu of the adjustment provided for in the first paragraph of Article 10 of the Service Agreement (relating to CPI adjustments), but shall be in addition to the other adjustments provided for in the Service Agreement and this Second Amendment. For the avoidance of doubt, if Contractor meets the burden described in Article 10.A of the Service Agreement, Contractor shall be entitled to a commensurate increase in service rates.

4. ADDITIONAL RESIDENTIAL SERVICES. During the Extended Term, the following services shall be provided to all residential (i.e. single-family dwellings and multifamily dwellings of up to four units) customers in the Service Area in addition to the services currently being provided under the Service Agreement and shall (except item D below) be reflected in the service rates listed in the revised Exhibit B:

- A. Contractor shall offer the option of a Contractor-provided 32-gallon wheeled solid waste container with lid. All new customers shall be required to use Contractor-provided containers.
- B. Contractor shall replace all recycling tubs with a Contractor-provided 96-gallon wheeled recycling container with lid.
- C. In addition to the Type #1 and Type #2 plastics currently collected, Type #3 through Type #7 plastics shall be allowed in the recycling container.
- D. Contractor shall provide for the collection of mixed organic waste, including food waste and soiled paper, commingled with green waste in the green waste containers when this service becomes available and offered to residential customers within the incorporated areas of the City of Vallejo, subject to mutual agreement between County and Contractor regarding a service rate adjustment and scope of services.

- E. Contractor shall provide for the weekly curbside collection of used household (not auto) batteries as part of the standard weekly collection of solid waste, recyclables, and organic/green waste collection.
- F. Customers shall be allowed to drop off acceptable Household Hazardous Waste (HHW) at Recology Vacaville Solano, 855½ Davis Street, Vacaville, CA, and Batteries, Used Motor Oil, Water-Based Latex Paint and Anti-Freeze (BOPA) and e-waste at Recology Vallejo, 2021 Broadway Street, Vallejo, CA.
- G. Contractor shall offer finished compost (up to one (1) cubic yard per year) to customers for pick-up at Recology Hay Road, 6426 Hay Road, Vacaville, CA.
- H. In lieu of two (2) of the currently provided four (4) annual clean-up days, Contractor shall provide each residential customer with the following services per year:
 - a. One (1) annual Free Dump Pass, for up to 1,000 pounds, at the Devlin Road Transfer Station located at 889 Devlin Road in American Canyon. Passes can be used any day or time the transfer station is open. All landfill, dump and green waste passes shall be distributed in January of each year and expire on December 31 of such year.
 - b. One (1) Annual On-Call Bulky Item Collection. Customers may call Contractor one time per year to schedule a curbside pick-up of up to two (2) bulky items (e.g. washer and dryer, refrigerator and stove, couch and recliner). The Annual On-Call Bulky Item Collection must be scheduled in advance and may (at Contractor's discretion) be on the customer's normal service day.

Contractor shall collect and track 1) the number of customers participating in the remaining two annual clean-up days, using the Annual Free Dump Pass, and using the Annual On-Call Bulky Item Collection; 2) the names and addresses of customers who use the annual clean-up days and Bulky Item Collection; and 3) the tonnage of material disposed and recycled.

After the first two years of data has been collected, County and Contractor shall jointly review the data to determine each of the above program's level of success, and the duration of each that shall subsequently remain in effect for the remainder of the Extended Term.

Should Contractor lose the ability to use its current Vallejo location to provide the remaining two annual clean-up days or be unable to secure another location within a reasonable proximity, Contractor shall provide each residential customer with another two (2) annual Free Dump Passes.

Contractor shall provide notice of these changes (except item D above) before the start of the Extended Term and on Contractor's website. Contractor may offer additional or customized services beyond the required services at an additional charge to the customer.

5. ADDITIONAL COMMERCIAL SERVICES. During the Extended Term, the following services shall be provided to all commercial customers (which shall include multifamily dwellings of five units or more) in the Service Area in addition to the services currently being provided under the Service Agreement and shall (except item C below) be reflected in the service rates listed in the revised Exhibit B:

- A. Contractor shall provide for the recycling of Type #1 through Type #7 plastics for commercial customers.

- B. Contractor shall continue to offer recyclables collection service at the customer’s request to all businesses that generate more than four cubic yards of solid waste per week and multifamily dwellings of five units or more, to assist with compliance with California Assembly Bill 341.
- C. Contractor shall provide for the collection of mixed organic waste, including food waste and soiled paper, commingled with green waste for multifamily and other commercial accounts that request such service when this service becomes available and offered to commercial customers within the incorporated areas of the City of Vallejo, subject to mutual agreement between County and Contractor regarding a service rate adjustment and scope of services.
- D. Contractor shall offer the option of a Contractor-provided 32-gallon wheeled solid waste container with lid. All new customers shall be required to use Contractor-provided containers.

Contractor shall provide notice of these changes (except items B and C above) before the start of the Extended Term and on Contractor’s website. Contractor may offer additional or customized services beyond the required services at an additional charge to the customer.

6. ADDITIONAL RECYCLING AND DIVERSION GOALS. The ratio of annual reported tonnage of solid waste to recyclables and green/organic waste collected from the Service Area shall be used to compare to the benchmarks listed below:

<u>Maximum Solid Waste:(Recyclables + Green/Organic Waste) Ratio</u>	
2015	2.50:1
2016	2.35:1
2017	2.21:1
2018	2.08:1
2019	1.95:1
2020	1.84:1
2021	1.73:1
2022	1.62:1
2023	1.53:1
2024	1.43:1

In order to evaluate recycling and diversion efforts for purposes of determining the County’s progress towards meeting the County-adopted Climate Action Plan and diversion rate goal of 75% by the year 2020, Contractor shall conduct bi-annual waste characterization studies on waste and recyclable collections. In the event an annual benchmark is not met, Contractor shall perform community outreach efforts to educate customers about recycling. Contractor may recover costs for its community outreach efforts as a temporary rate adjustment in addition to the annual adjustment pursuant to section 3 above and the other adjustments provided for in the Service Agreement.

7. ADDITIONAL PERFORMANCE REQUIREMENTS. Article 6 is amended to add the following:

E. Annual Customer Satisfaction Performance Measure

Contractor shall provide a notice approved by County, a telephone number, and an email address on billing statements and on Contractor’s website that informs customers to contact Contractor for any service complaints and to contact County to report any service complaints unresolved by Contractor. If customers should happen to contact County before contacting Contractor, County will refer the customer to Contractor. Unresolved complaints during each calendar year during the Term received by County must equate to less than 5% of the total amount of customers to be deemed to have met this performance measure (the “Customer Satisfaction Performance Measure”).

Contractor's failure to achieve this annual performance measure shall be considered a default of the Service Agreement.

8. ADDITIONAL LIQUIDATED DAMAGES. Article 25 is amended in part to add the following:

In addition to the Liquidated Damages that may be assessed if the Service Agreement is terminated pursuant to Articles 17 and 18, Contractor shall be responsible for the following liquidated damages:

- A. Failure to meet annual Customer Satisfaction Performance Measure: 1% of annual gross revenues for the year in question.
- B. Failure to meet annual reporting requirements and deadlines (following written notice delivered to Contractor by County of the required report and Contractor's failure to provide the report within 15 days after receipt of County's notice): 1% of annual gross revenues for the year in question.

Any payment due shall be made by April 1st of the year following the year incurred.

9. INSURANCE. Article 14 is deleted in its entirety and replaced with:

ARTICLE 14. INSURANCE

A. Without limiting Contractor's obligation to indemnify County, Contractor must procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work under this Contract and the results of that work by Contractor, Contractor's agents, representatives, employees or subcontractors.

B. Minimum Scope of Insurance

Coverage must be at least as broad as:

- (1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
- (2) Insurance Services Office Form Number CA 00 01 covering Automobile Liability, code 1 (any auto).
- (3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

C. Minimum Limits of Insurance

Contractor must maintain limits no less than:

- | | | |
|--|---------------------|--|
| (1) General Liability:
(Including operations, products and completed operations.) | \$10,000,000 | 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.

(2) Automobile Liability: **\$10,000,000** per accident for bodily injury and property damage with an MCS-90 endorsement

(3) Workers' Compensation: As required by the State of California.

(4) Pollution Legal Liability: **\$10,000,000** per occurrence covering claims for on-site, under-site or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations.

D. If Contractor maintains higher limits than the minimums shown above, County is entitled to coverage for the higher limits maintained by Contractor.

E. At the option of the County, Contractor shall provide a financial guarantee reasonably satisfactory to County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

F. Other Insurance Provisions
The general liability and automobile liability policies must contain, or be endorsed to contain, the following provisions:

- (1) The County of Solano, its officers, officials, agents, employees, and volunteers must be included as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Contractor; and with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to Contractor's insurance policy, or as a separate owner's policy. Automobile coverage shall include an MCS90 Endorsement and ISO Form CA 99 48 03 06 – Pollution Liability- Broadened Coverage for Covered Autos.
- (2) For any claims related to work performed under this Contract, Contractor's insurance coverage must be primary insurance with respect to the County of Solano, its officers, officials, agents, employees, and volunteers. Any insurance or self-insurance maintained by County, its officers, officials, agents, employees, or volunteers is excess of Contractor's insurance and shall not contribute to it.
- (3) Should any of the above-described policies (except for worker's compensation coverage) be cancelled prior to the policies' expiration date, Contractor agrees that notice of cancellation will be delivered in accordance with the policy provisions.

G. Waiver of Subrogation

- (1) Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.
- (2) The Workers' Compensation policy must be endorsed with a waiver of subrogation in favor of County for all work performed by Contractor, its employees, agents and subcontractors.

H. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII unless otherwise acceptable to County.

I. Verification of Coverage

- (1) Contractor must furnish County with original certificates and endorsements effecting coverage required by this Contract.
- (2) The endorsements should be on forms provided by County or, if on other than County's forms, must conform to County's requirements and be acceptable to County.
- (3) County must receive and approve all certificates and endorsements before work commences.
- (4) However, failure to do so shall not operate as a waiver of these insurance requirements.
- (5) County reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

10. PERFORMANCE BOND. Article 16 is amended to increase the minimum amount of its performance bond to \$300,000.

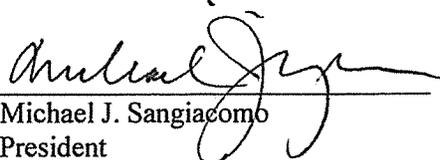
11. SOLID WASTE DISPOSAL SITES. Contractor shall dispose of all solid waste and green waste collected pursuant to the Service Agreement at solid waste disposal sites located in Solano County.

Except as set forth in this Second Amendment, all other terms and conditions specified in the Service Agreement shall remain in full force and effect. In the event of any conflict between this Second Amendment and the Service Agreement, this Second Amendment shall control.

COUNTY OF SOLANO, a political
subdivision of the State of California

By _____
Michael J. Lango
Director of General Services

RECOLOGY VACAVILLE SOLANO,
a California corporation

By 
Michael J. Sangiacomo
President

APPROVED AS TO FORM

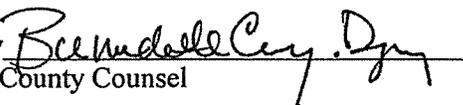
By 
County Counsel

Exhibit B

Recology - Monthly Service Rates (unincorporated Vallejo)

Residential	January 1, 2014	January 1, 2015
(1) 32-gallon can garbage service (occupant-provided) *	\$16.80	\$18.12
(2) 32-gallon can garbage service (occupant-provided) *	\$21.88	N/A
(3) 32-gallon can garbage service (occupant-provided) *	\$26.91	N/A
32-gallon garbage cart (Recology-provided) **	N/A	\$20.91
96-gallon garbage cart (Recology-provided)	\$29.49	\$31.64
Senior 32-gallon garbage can (occupant-provided) *	\$15.96	N/A
Senior 32-gallon garbage cart (Recology-provided) **	\$18.53	\$19.87
Additional 32 garbage cart	\$5.15	\$5.52
96-gallon recycling cart (Recology-provided)	\$0.00	\$0.00
Additional recycling cart (Recology-provided)	\$0.00	\$0.00
96-gallon green waste cart (Recology-provided)	\$0.00	\$0.00
Additional green waste cart (Recology-provided)	\$5.20	\$5.58
* Existing customers only.		
** All new customers required to use Recology-provided carts		
Additional Services at No Charge		
Weekly curbside collection of used motor oil and filters (1-gal. containers provided by Recology)	\$0.00	\$0.00
Drop-off collection of BOPA items (Batteries, Motor Oil, Water-Based Latex Paint, Antifreeze) at a Recology location	\$0.00	\$0.00
Two (2) clean-up days per year	\$0.00	\$0.00
Drop-off collection of e-waste items at a Recology location	N/A	\$0.00
Weekly curbside collection of used household (not auto) batteries	N/A	\$0.00
Finished compost available to customers for pick-up at a Recology location (up to 1 cubic yard per year)	N/A	\$0.00
One (1) Annual Dump Pass, up to 1,000 pounds	N/A	\$0.00
One (1) Annual On-Call Bulky Item Collection, up to two (2) items	N/A	\$0.00

Commercial**January 1, 2014****January 1, 2015**

(1) 32-gallon can garbage service (occupant-provided) *	\$16.80	\$18.12
(2) 32-gallon can garbage service (occupant-provided) *	\$21.88	N/A
(3) 32-gallon can garbage service (occupant-provided) *	\$26.65	N/A
32-gallon garbage cart (Recology-provided) **	N/A	\$20.91
96-gallon garbage cart (Recology-provided)	\$29.49	\$31.64

* Existing customers only.
carts

Debris box rates - per service

20 cubic yards	\$605.50	\$649.42
25 cubic yards	\$688.41	\$738.35
30 cubic yards	\$743.91	\$797.87
35 cubic yards	\$867.65	\$930.59
40 cubic yards	\$991.58	\$1,063.51

Bin Service

of collections per week

	1X	
1-yard bin	\$84.20	\$90.31
2-yard bin	\$150.14	\$161.03
3-yard bin	\$214.32	\$229.87
4-yard bin	\$297.56	\$319.15
6-yard bin	\$402.67	\$431.88
	2X	
1-yard bin	\$168.40	\$180.62
2-yard bin	\$300.29	\$322.07
3-yard bin	\$428.64	\$459.73
4-yard bin	\$595.18	\$638.36
6-yard bin	\$805.27	\$863.69
	3X	
1-yard bin	\$252.60	\$270.92
2-yard bin	\$450.45	\$483.13
3-yard bin	\$643.00	\$689.64
4-yard bin	\$892.74	\$957.50
6-yard bin	\$1,207.89	\$1,295.51
	4X	
1-yard bin	\$336.78	\$361.21
2-yard bin	\$600.58	\$644.15
3-yard bin	\$857.30	\$919.49
4-yard bin	\$1,190.34	\$1,276.69
6-yard bin	\$1,610.52	\$1,727.35

January 1, 2014

January 1, 2015

5X

1-yard bin	\$420.98	\$451.52
2-yard bin	\$750.74	\$805.20
3-yard bin	\$1,071.64	\$1,149.38
4-yard bin	\$1,487.91	\$1,595.85
6-yard bin	\$2,013.18	\$2,159.22

6X

1-yard bin	\$505.18	\$541.83
2-yard bin	\$900.87	\$966.22
3-yard bin	\$1,270.20	\$1,362.34
4-yard bin	\$1,785.52	\$1,915.05
6-yard bin	\$2,415.84	\$2,591.09

Special charges

Distance under 100'	\$2.08	\$2.23
Distance 100' - 300'	\$3.76	\$4.03
Distance over 300'	\$5.86	\$6.29
Key charge	\$37.48	\$40.20
Extra 30 gallon trash bagged or bundled on regular trash day	\$5.15	\$5.52
Redelivery non-payment (toter)	\$54.00	\$57.92
Redelivery non-payment (container)	\$134.95	\$144.74
Locking bar installation	\$72.89	\$78.18
Daily debris box rental	\$36.39	\$39.03
Cleaning charge	\$364.09	\$390.50
Relocation charge	\$181.79	\$194.98