

**THIRD AMENDMENT TO SERVICE AGREEMENT  
(Unincorporated Fairfield and Suisun)**

This **Third 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 SOLANO GARBAGE COMPANY, a California corporation (“Contractor”) to amend the **Service Agreement for Solid Waste, Recyclables and Green Waste Collection, Recycling, Processing and Disposal** (Service Agreement), dated February 18, 2005, and as subsequently amended on November 7, 2006 and on November 10, 2009.

County and Contractor agree to amend the Service Agreement, as previously amended, 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 Third Amendment.

**3. SERVICE RATE INCREASES.** Commencing on January 1, 2016 and each January 1<sup>st</sup> thereafter during the Extended Term, all Service Rates shall be increased by 3% of the service rate for the prior year, except for as provided in section 6 of this Third Amendment below.

**4. ADDITIONAL RESIDENTIAL SERVICES.** During the Extended Term, the following services shall be provided to all residential customers in the Service Area in addition to the services currently being provided under the Service Agreement and shall be included in the service rates listed in the revised Exhibit B:

- A. Contractor shall offer the option of a Contractor-provided 35-gallon wheeled solid waste container with lid. The 45-gallon cart option may be eliminated.
- B. Contractor shall offer the option of a Contractor-provided 65-gallon or 96-gallon wheeled recycling container with lid.
- C. In addition to the Type #1 and Type #2 recyclable materials currently collected, Type #3 through Type #7 recyclable materials shall be allowed in the recycling containers.
- D. Contractor shall provide for the collection of mixed organic waste, including certain food waste and soiled paper, commingled with green waste in the green waste containers.
- 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 of Household Hazardous Waste (HHW) and e-waste at Contractor’s location, to be designated by Contractor, during all normal operating hours, without limit on the number of customers who may drop off per day.
- G. Contractor shall offer finished compost (up to one (1) cubic yard per year) to customers for pick-up at one of Contractor’s locations, to be designated by Contractor.
- H. Contractor shall provide each residential customer with the following services per year:

- a. Three (3) annual Free Dump Passes, each for up to three (3) cubic yards, at the Potrero Hills Landfill located at 3675 Potrero Hills Lane in Suisun City in lieu of the one (1) free solid waste pass limited to four cubic yards. The passes can be used one at a time or combined for larger loads. Passes can be used any day or time the transfer station is open.
- b. One (1) Annual On-Call Bulky Item Collection. Customers may contact 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 be on the customer's normal service day.

Contractor shall provide notice of these changes in the last billing preceding 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 in the Service Area in addition to the services currently being provided under the Service Agreement and shall be included in the service rates listed in the revised Exhibit B:

- A. Contractor shall provide for the mandatory recycling services of Type #1 through Type #7 recyclables for all businesses that request such service that generate more than four cubic yards of solid waste per week and multifamily dwellings of five units or more in accordance with California Assembly Bill 341.
- B. Contractor shall provide for the collection of mixed organic waste, including certain food waste and soiled paper, commingled with green waste for all multifamily, commercial, and industrial accounts that request such service.

Contractor shall provide notice of these changes in the last billing preceding 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>Solid Waste:(Recyclables + Green/Organic Waste) Ratio</u>	
2015	1.31:1
2016	1.23:1
2017	1.16:1
2018	1.09:1
2019	1.03:1
2020	0.97:1
2021	0.91:1
2022	0.86:1
2023	0.81:1
2024	0.76:1

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.

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

E. Annual Customer Satisfaction Performance Measure

Contractor shall provide a summary narrative 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. 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. 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 gross revenues for the year in question.

Any payment due shall be made by April 1<sup>st</sup> 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: **\$10,000,000** per occurrence for bodily injury, personal injury and (Including operations,

products and completed operations.)

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 \$1,000,000.

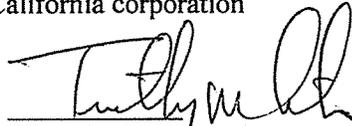
**11. SOLID WASTE DISPOSAL SITES.** Contractor shall dispose of all solid waste, recyclables, and green waste collected pursuant to the Service Agreement at solid waste disposal sites located in Solano County.

Except as set forth in this Third Amendment, all other terms and conditions specified in the Service Agreement, and as previously amended, shall remain in full force and effect.

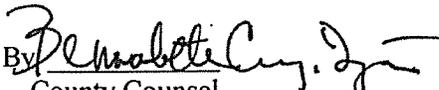
COUNTY OF SOLANO, a political  
subdivision of the State of California

SOLANO GARBAGE COMPANY,  
a California corporation

By \_\_\_\_\_  
Michael J. Lango  
Director of General Services

By   
Timothy M. Argenti  
General Manager

APPROVED AS TO FORM

By   
County Counsel

## EXHIBIT B

### Solano Garbage Company - Monthly Service Rates (unincorporated Fairfield and Suisun)

Residential	January 1, 2014	January 1, 2015
35-gallon garbage cart	\$21.63	\$21.84
35-gallon garbage cart (senior/lifeline discount) 15%*	\$18.39	\$18.57
95-gallon garbage cart	\$36.16	\$36.52
Additional 95-gallon garbage cart	\$24.67	\$24.92
95 or 65-gallon recycling cart	\$0.00	\$0.00
Additional recycling cart	\$0.00	\$0.00
95-gallon green waste cart	\$0.00	\$0.00
Additional green waste cart	\$7.20	\$7.28
Pup truck charge	\$16.60	\$16.77
<p>* Note: A REDUCED rate will be available for customers whose combined annual gross income of the Head of the Household (HOH) is less than \$17,200.00 for preceding year and HOH must be either:</p> <p>1) Age 62 or older;</p> <p>2) 100% disabled under Social Security Law; or</p> <p>3) U.S. Veteran receiving non-service connected disability pension from VA</p>		
<p><b>Additional Services at No Charge</b></p>		
Weekly curbside collection of used oil and filters (1-gal. containers provided by Solano Garbage Company)	\$0.00	\$0.00
Collection of mixed organic waste, including certain food waste and soiled paper, commingled with green waste in the green waste containers.	N/A	\$0.00
Weekly curbside collection of used household batteries	N/A	\$0.00
Drop-off collection of Hazardous Household Waste (HHW) at a Solano Garbage Company location	N/A	\$0.00
Drop-off collection of BOPA items (Batteries, Oil, Paint, Antifreeze) at a Solano Garbage Company location	N/A	\$0.00
Drop-off collection of e-waste items at a Solano Garbage Company location	N/A	\$0.00
Finished compost available to customers for pick-up at a Solano Garbage Company location (up to 1 cubic yard per year)	N/A	\$0.00
Three (3) landfill passes, up to three (3) cubic yards each at Potrero Hills Landfill	N/A	\$0.00
One (1) Annual On-Call Bulky Item Collection, up to two (2) items	N/A	\$0.00

<b>Commercial</b>	<b>January 1, 2014</b>	<b>January 1, 2015</b>
1-95 gallon solid waste cart	\$51.75	\$52.27
1-95 gallon recycling	\$0.00	\$0.00
1-95 gallon food waste cart	\$67.80	\$68.48
<b>Additional containers</b>		
1-95 gallon solid waste cart	\$51.75	\$52.27
1-95 gallon recycling cart	\$0.00	\$0.00
1-35-gallon green/organic food waste cart	\$16.81	\$16.98
1-35-gallon solid waste cart	\$21.62	\$21.84
Xtra Pick up	\$32.11	\$32.43
<b>Bin Service</b>		
<b>2-yard container</b>		
1X a week	\$199.08	\$201.07
2X a week	\$364.15	\$367.80
3X a week	\$526.87	\$532.14
4X a week	\$702.16	\$709.18
5X a week	\$877.70	\$886.48
Xtra PU	\$60.95	\$61.56
<b>3-yard container</b>		
1X a week	\$276.75	\$279.52
2X a week	\$503.47	\$508.50
3X a week	\$735.43	\$742.78
4X a week	\$980.60	\$990.40
5X a week	\$1,225.75	\$1,238.01
Xtra PU	\$77.19	\$77.96
<b>4-yard container</b>		
1X a week	\$354.13	\$357.67
2X a week	\$679.76	\$686.55
3X a week	\$907.47	\$916.55
4X a week	\$1,209.69	\$1,221.79
5X a week	\$1,512.11	\$1,527.23
Xtra PU	\$100.03	\$101.03
<b>5-yard container</b>		
1X a week	\$417.03	\$421.20
2X a week	\$798.74	\$806.73
3X a week	\$1,066.28	\$1,076.94
4X a week	\$1,421.40	\$1,435.62
5X a week	\$1,776.76	\$1,794.53
Xtra PU	\$119.42	\$120.61

<b>Bin Service (cont.)</b>	<b>January 1, 2014</b>	<b>January 1, 2015</b>
6-yard container		
1X a week	\$461.02	\$465.63
2X a week	\$876.99	\$885.76
3X a week	\$1,170.78	\$1,182.49
4X a week	\$1,560.70	\$1,576.31
5X a week	\$1,950.90	\$1,970.41
Xtra PU	\$129.35	\$130.64
3 days box	\$145.56	\$147.02
<b>Drop Box Waste</b>		
20-yard bin	\$315.25	\$318.40
25-yard bin	\$379.97	\$383.76
30-yard bin	\$447.06	\$451.53
40-yard bin	\$594.48	\$600.42
<b>Drop Box Wood, Green</b>		
20-yard bin	\$245.18	\$247.63
25-yard bin	\$288.93	\$291.82
30-yard bin	\$340.07	\$343.48
40-yard bin	\$452.05	\$456.57
<b>Drop Box Metal</b>		
20-yard bin	\$329.56	\$332.85
25-yard bin	\$350.51	\$354.02
30-yard bin	\$370.09	\$373.79
40-yard bin	\$392.34	\$396.26
<b>Compactor per yard</b>		
< 10 yards	\$43.85	\$44.28
> 10 yards	\$31.72	\$32.03
<b>Special charges</b>		
Delivery Box	\$61.79	\$62.41
Respot	\$61.79	\$62.41
Lock Bar Lock	\$58.44	\$59.03
Same Day service	\$63.37	\$64.00
Extra Day	\$33.18	\$33.52
Over 5 tons	\$49.75	\$50.25