

ADDENDUM No. 1

RFP No. 17-05

Solid Waste Transfer, Transport and Disposal Services

Due Date and Time: March 16, 2017 at 2:00 P.M. (Local Time)

The following changes, additions, and/or deletions shall be made to the Request for Proposal for Solid Waste Transfer, Transport and Disposal Services RFP No. 17-05 on which proposals are to be received on/or before March 16, 2017 by 2:00 P.M. (local time).

The information contained herein shall take precedence over the original documents and all previous addenda (if any), and is appended thereto. **This Addendum includes one hundred and sixteen (116) pages.**

Offeror is to acknowledge receipt of this Addendum No. 1, including all attachments in its Proposal by so indicating in the proposal that the addendum has been received. Proposals submitted without acknowledgement of receipt of this addendum will be considered nonconforming.

The following forms provided within the RFP Document must be included in submitted proposal:

- City of Ann Arbor Non-Discrimination Ordinance Declaration of Compliance
- City of Ann Arbor Living Wage Ordinance Declaration of Compliance
- Vendor Conflict of Interest Disclosure Form

Proposals that fail to provide these completed forms listed above upon proposal opening will be deemed non-responsive and will not be considered for award.

I. CORRECTIONS/ADDITIONS/DELETIONS

Changes to the Bid documents which are outlined below are referenced to a page or Section in which they appear conspicuously. The Bidder is to take note in its review of the documents and include these changes as they may affect work or details in other areas not specifically referenced here.

Section/Page(s)

Change

Attachments

City of Ann Arbor Living Wage Ordinance Declaration of Compliance (Attachment C, Form LW-2) and Living Wage Poster (Attachment F, Form LW-1), should be replaced with the versions provided in this Addendum.

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II. QUESTIONS AND ANSWERS

The following Questions have been received by the City. Responses are being provided in accordance with the terms of the RFP. Respondents are directed to take note in its review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

Question 1: I'd like clarification on the following:
Regarding the Vactor Soil Materials, are the analytical's classified as Street Sweepings or as Grit Screening, or under a sludge analytical? Please advise.

Response 1: Waste profile information on the Vactor/Soil Material is provided in Appendix E4 of the RFP. The waste profile provides information on the physical characteristics of the material. Laboratory analytical testing was not performed on the Vactor/Soil Material.

Question 2: In regards to RFP#17-05, I have the following questions:
Does waste collected under the City's commercial waste franchise agreement come to the transfer station?
If so, is this material contractually delivered to the transfer station and will it remain as part of the volumes for this site under the next transfer station contract?

Response 2: Waste collected from the Commercial Franchise is contractually directed under the franchise agreement to the Transfer Station. The current franchise agreement expires on June 30, 2019. The City anticipates that Commercial Franchise waste will continue to be directed to the Transfer Station in future franchise agreements.

Question 3: With the commercial franchise contract coming up in a couple of years, will this waste continue to be delivered to the transfer station under the next commercial franchise contract?

Response 3: See Question 2.

Question 4: Can you provide a copy of the current applicable contracts for the transfer station and WWTP services?

Response 4: Please see attached hereto:
WM Short Term Operation of Ann Arbor Materials Recovery Facility (MRF) and Waste Transfer Station (TS)
WM Commercial Refuse Collection Contract
WM Solid Waste Disposal

Question 5: The transfer station has several pieces of "mobile" equipment including an excavator, front end loader, and a spotter truck for trailers. Does this equipment belong to the current contractor?

Response 5: The excavator and front end loader are owned by the City and are not available to the new Contractor (see Question 25). The spotter truck for trailers is owned by the current vendor/ or subcontracted vendor.

Question 6: Has the City experienced any problems, concerns, or violations associated with storm water runoff from the site to the nearby wetlands? Has the City or any contractors operating the site had any infrastructure issues?
If so, can you please describe these matters in further detail?

Response 6: The City has not had any problems, concerns or violations with the storm water runoff from the site into the nearby wetlands. The issue the City has had with

infrastructure is the Grinder Pump is not functioning, and the drain in the middle of the tipping floor has been filled with concrete. The City is planning to repair both items, at the City's cost.

Question 7: Is there any routine maintenance performed by either the contractor or the City of Ann Arbor associated with the stormwater infrastructure?

Response 7: The City installed and provides inlet filters for the drains and has scheduled the storm water drains for quarterly cleaning, but they may be cleaned as needed, if they are not draining properly when reported by the vendor. However – the vendor will be responsible for daily facility inspections/walkthroughs to address stormwater management onsite. If there are issues that need corrective action, it is the vendor's responsibility to notify the City immediately. Monthly/Quarterly/Annual inspections will be completed collaboratively with a City staff person as the lead.

Question 8: Is it the City's responsibility to maintain the transfer station stormwater pollution prevention plan?

Response 8: The Stormwater Pollution Prevention Plan (SWPPP) is implemented as a collaborative partnership between the City and the vendor. Physical and Structural improvements are the responsibility of the City. Required staff training will be facilitated by the City; however, the vendor is required to attend these trainings. The vendor will be responsible for daily facility inspections/walkthroughs to address stormwater management onsite. If there are issues that need corrective action, it is the vendor's responsibility to notify the City immediately. Monthly/Quarterly/Annual inspections will be completed collaboratively with a City staff person as the lead.

Question 9: There does not appear to be a bid bond required for this response. Is this correct? If a bid bond is required, what is the amount?

Response 9: A Bid Bond is not required for this RFP.

Question 10: Page 23 part C – Preparation of Proposals: will proposals be accepted if they are placed in 3 ring binders?

Response 10: Yes, 3 ring binders would be acceptable.

Question 11: Appendix A: General Services Agreement part VII – the performance bond appears to be 50% of the total amount. Since there is not a fixed amount of units associated with this contract, will the City agree simply on 50% of the annual amount or would you desire a specific "target" number of units to base the performance bond on?

Response 11: The amount of the performance bond will be established at 50% of the first-year value of the Contract based on: 1) the unit prices proposed by the successful contractor; and, 2) the following unit quantities:

TS Garbage	=	59,000 tons
Dewatered centrifuge cake	=	9,600 tons
WTTP (scum/grit/screenings)	=	56 container pulls (10-yard containers)
WTTP (refuse service)	=	12 months of service
Street-sweeping material	=	1,800 tons
Vactor/soil materials	=	5,500 tons

Question 12: The sample agreement does not appear to specifically address the services in question. Is the City willing to sign an alternate contract such as a special waste services agreement?

Response 12: The following has been added to section 1: Add to Appendix A: General Services Agreement under I. Definitions: "Contract and contract documents are defined as this contract, RFP Document and all issued addenda. In case of a conflict among the contract documents listed below in any requirement(s), the requirement(s) of the document listed first shall prevail over any conflicting requirement(s) of a document listed later. (1) Contract, (2) Addendum in reverse order and (3) RFP." The City would not be willing to sign an alternate contract such as a special waste services agreement.

Question 13: Will the City allow for negotiation of the scope of services document as key terms are missing from the Services Agreement?

Response 13: No, See also response to answer 12.

Question 14: Would the City indemnify, defend and save Contractor harmless from and against all claims that result from any acts or omissions by the City with respect to the Transfer Station before the term of this agreement?

Response 14: No, the City cannot speculate regarding claims that might be made, or make commitments regarding unknown claims.

Question 15: Would the City make the option to extend the services agreement a mutual one? Currently, the City has the sole option to extend.

Response 15: Renewals will be unilateral to City.

Question 16: Would the City consider the following revisions to the General Services Agreement: Appendix A:

Section VI.A – Strike "documentation satisfactory to the City demonstrating it has obtained the policies and endorsements" and replace with "an Acord certificate of insurance to evidence the insurance cover"

Response: No

Section VI. B – Strike "admitted and authorized" and replace with "approved".

Response: No

Exhibit C – first paragraph – revise last sentence to read: The certificates of insurance and required blanket form endorsements shall meet the following minimum requirements.

Response: No

Exhibit C: Part A.2 – revise Insurance Services Office form CG 00 01 07 98 to read "Insurance Services Office form CG 00 01 04 13

Response: Please see the existing "or current equivalent" language.

Exhibit C: Part A.3 – revise Insurance Services Office form CG 00 01 07 97 to read "Insurance Services Office form CG 00 01 10 13

Response: Please see the existing "or current equivalent" language.

Exhibit C: Part A.4 – revise section to read as follows: Contractor Pollution Liability Insurance with minimum limits of \$2,000,000 per claim. The City of Ann Arbor shall be an additional insured.

Response: No

Question 17: Exhibit C: Part C – revise section to read as follows: Documentation must provide and demonstrate a 30 day written notice of cancellation in favor of the City of Ann Arbor (except for worker's compensation). Further, the Acord certificate must

explicitly state the following: (a) the policy number: name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts. Contractor shall furnish the City with Acord certificates of insurance and blanket-form endorsements prior to commencement of any work. If any of the above coverages expire by their terms during the term of this contract, the contractor shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.

Response 17: No

Question 18: Is the City willing to extend the due date of the RFP response?

Response 18: Not at this time.

Question 19: Who is the current service provider for the Waste Transfer Facility and the Wastewater Treatment Plant?

Response 19: Waste Management

Question 20: Transfer Station

As related to security deposit or bonding against damage or condition of the building upon return of the operation to AA, as we see no definition in this area are there any cash or bonding requirements pertaining to this?

Response 20: The City does not as part of this RFP, but leaves the right to negotiate as part of the final contract if deemed necessary.

Question 21: I noted in Addendum 2 RFP No. 980 dated October 13, 2016 volumes indicated under the General Services Agreement there was to be an assessment for the repair and / or reconditioning of the transfer station, did the actual repairs ever take place and what provision is there for the repairs should they have not taken place.

Response 21: Please see question 6, as noted in the RFP page 16, C. Requirements, (k) Building repairs will be completed by the City at the City's cost and discretion, and any electrical, concrete, or building damage by the Contractor will be repaired at the Contractor's sole expense. RFP 980 does not pertain to RFP# 17-05.

Question 22: As related Section II, Scope of Services, C, paragraph d: Third Party waste acceptance, while the bid specifications indicate MSW, is there objection to, or would the City at any time ever entertain or give consideration to receiving C & D or Commercial Waste at the Transfer Facility located at 4130 Platt Road?

Response 22: The City would object to C& D waste. Section II.C.1.d (page 15) states "Third-party waste may not include hazardous or special waste, construction and demolition debris, or yard waste."

Question 23: Section II Scope B1B as well at C1 O references the subject of beneficial reuse of glass that it is "hailed by others" please explain "hailed by others".

Response 23: Hauled by others, for example but not limited to, MRF operator, or their subcontracted parties.

Question 24: At the City of Ann Arbor Transfer Facility located at 4130 Platt Road, in terms of operational capacity, what is the maximum throughput engineered into the design of the facility?

Response 24: As per the RFP, page 15, C. Requirements, (d) all waste operations transfer operations are conducted entirely within the TS building...(i) Maintain the facility in a clean, orderly condition. Litter to be collected daily or more frequently as

necessary, including removal of litter from trees, fencing, exterior grounds and surrounding woods. All waste is to be removed from the tipping floor at the end of each operating day. Four (4) loaded transfer vehicles may be staged onsite at the end of the operating day if the loads cannot be transported to the disposal facility prior to the closure time of the disposal facility.

Question 25: As related to loading equipment currently in place and presumably owned by the City of Ann Arbor as referenced in the Fall RFP documents, would there be any interest in selling such equipment to the successful bidder?

Response 25: City equipment that is no longer needed is sold at auction, RFP# 17-05 was issued in March, 2017, and any RFP documents from the Fall of 2016 pertain to other contracts.

Question 26: Bonding

There was no indication of a Bid or Performance Bond Requirement, further as related operation of the Transfer Station are there any?

Response 26: See answer 9 and 11.

Question 27: Contract

On any term beyond the initial term, more specific any renewal term so not to assume, will mutual agreement be required for renewal or is it solely at the discretion of the City of Ann Arbor?

Response 27: See Answer 15.

Question 28: Will the city extend the due date one additional week?

Response 28: Not at this time.

Question 29: Will the city provide a standard fuel adjustment factor methodology that will be used for all proposers?

Response 29: No

Question 30: To what extent is the operator responsible for the requirements of the storm water pollution prevention plan.

Response 30: The Stormwater Pollution Prevention Plan (SWPPP) is implemented as a collaborative partnership between the City and the vendor. Physical and Structural improvements are the responsibility of the City. Required staff training will be facilitated by the City; however, the vendor is required to attend these trainings. The vendor will be responsible for daily facility inspections/walkthroughs to address stormwater management onsite. If there are issues that need corrective action, it is the vendor's responsibility to notify the City immediately. Monthly/Quarterly/Annual inspections will be completed collaboratively with a City staff person as the lead. The contractor shall accompany the City on inspections upon request by the City or MDEQ.

Question 31: Will the city make available the existing heavy equipment used at the transfer station during start-up of the contract?

Response 31: No, the proposer must provide their own equipment.

Question 32: Will city provide a copy of the operations plan for the transfer station as incorporated by reference in the construction permit.

Response 32: Construction Permit 4071 from June 23, 2005 does not reference an operations plan.

Question 33: How will city evaluate the third party waste credit and the potential for associated tonnage?

Response 33: The City believes that the Transfer Station provides value to the hauling community and, potentially, the Contractor, and is therefore willing to allow the Contractor to source third-party tonnage (subject to the performance requirements in Section II.C of the RFP). The \$2.30/ton minimum credit for third-party waste represents the City's depreciation charge for the transfer station, and therefore is a minimum. Contractors may propose a higher commercial waste credit. In evaluating competing Fee Proposals, primary weight will be given to the service fees proposed by Contractors (i.e., the fees to handle City waste materials). The City will also consider the third-party waste credit proposed by Contractors, and Contractors may propose a tonnage they are willing to commit to the facility to enhance the value proposition of their proposal.

Respondents are responsible for any conclusions that they may draw from the information contained in the Addendum.

**CITY OF ANN ARBOR
LIVING WAGE ORDINANCE DECLARATION OF COMPLIANCE**

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that an employer who is (a) a contractor providing services to or for the City for a value greater than \$10,000 for any twelve-month contract term, or (b) a recipient of federal, state, or local grant funding administered by the City for a value greater than \$10,000, or (c) a recipient of financial assistance awarded by the City for a value greater than \$10,000, shall pay its employees a prescribed minimum level of compensation (i.e., Living Wage) for the time those employees perform work on the contract or in connection with the grant or financial assistance. The Living Wage must be paid to these employees for the length of the contract/program.

Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from compliance with the Living Wage Ordinance. If this exemption applies to your company/non-profit agency please check here No. of employees__

The Contractor or Grantee agrees:

- (a) To pay each of its employees whose wage level is not required to comply with federal, state or local prevailing wage law, for work covered or funded by a contract with or grant from the City, no less than the Living Wage. The current Living Wage is defined as \$13.13/hour for those employers that provide employee health care (as defined in the Ordinance at Section 1:815 Sec. 1 (a)), or no less than \$14.65/hour for those employers that do not provide health care. The Contractor or Grantor understands that the Living Wage is adjusted and established annually on April 30 in accordance with the Ordinance and covered employers shall be required to pay the adjusted amount thereafter to be in compliance (Section 1:815(3)).

Check the applicable box below which applies to your workforce

- Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage without health benefits
- Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage with health benefits

- (b) To post a notice approved by the City regarding the applicability of the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.
- (c) To provide to the City payroll records or other documentation within ten (10) business days from the receipt of a request by the City.
- (d) To permit access to work sites to City representatives for the purposes of monitoring compliance, and investigating complaints or non-compliance.
- (e) To take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee covered by the Living Wage Ordinance or any person contracted for employment and covered by the Living Wage Ordinance in order to pay the living wage required by the Living Wage Ordinance.

The undersigned states that he/she has the requisite authority to act on behalf of his/her employer in these matters and has offered to provide the services or agrees to accept financial assistance in accordance with the terms of the Living Wage Ordinance. The undersigned certifies that he/she has read and is familiar with the terms of the Living Wage Ordinance, obligates the Employer/Grantee to those terms and acknowledges that if his/her employer is found to be in violation of Ordinance it may be subject to civil penalties and termination of the awarded contract or grant of financial assistance.

Company Name

Street Address

Signature of Authorized Representative

Date

City, State, Zip

Print Name and Title

Phone/Email address

**CITY OF ANN ARBOR
LIVING WAGE ORDINANCE**

RATE EFFECTIVE APRIL 30, 2017 - ENDING APRIL 29, 2018

\$13.13 per hour

If the employer provides health care benefits*

\$14.65 per hour

If the employer does **NOT** provide health care benefits*

Employers providing services to or for the City of Ann Arbor or recipients of grants or financial assistance from the City of Ann Arbor for a value of more than \$10,000 in a twelve-month period of time must pay those employees performing work on a City of Ann Arbor contract or grant, the above living wage.

ENFORCEMENT

The City of Ann Arbor may recover back wages either administratively or through court action for the employees that have been underpaid in violation of the law. Persons denied payment of the living wage have the right to bring a civil action for damages in addition to any action taken by the City.

Violation of this Ordinance is punishable by fines of not more than \$500/violation plus costs, with each day being considered a separate violation. Additionally, the City of Ann Arbor has the right to modify, terminate, cancel or suspend a contract in the event of a violation of the Ordinance.

* Health Care benefits include those paid for by the employer or making an employer contribution toward the purchase of health care. The employee contribution must not exceed \$.50 an hour for an average work week; and the employer cost or contribution must equal no less than \$1/hr for the average work week.

The Law Requires Employers to Display This Poster Where Employees Can Readily See It.

**For Additional Information or to File a Complaint Contact
Colin Spencer at 734/794-6500 or cspencer@a2gov.org**

**GENERAL SERVICES AGREEMENT BETWEEN
WASTE MANAGEMENT OF MICHIGAN, INC.
AND THE CITY OF ANN ARBOR
FOR
SHORT-TERM OPERATION OF ANN ARBOR MATERIALS RECOVERY FACILITY (MRF)
AND WASTE TRANSFER STATION (TS)**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St. Ann Arbor, Michigan 48104 ("City"), and Waste Management of Michigan, Inc. ("Contractor") a(n) Michigan Corporation
(State where organized) (Partnership, Sole Proprietorship, or Corporation)
with its address at 48797 Alpha Drive, Suite 100, Wixom MI 48393 agree as follows on this 10th day of September, 2016.

The Contractor agrees to provide services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means the Public Services Area

Contract Administrator means Craig Hupy, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for and delivered to City by Contractor under this Agreement

Project means Short-Term Operation of Ann Arbor Materials Recovery Facility (MRF) and Waste Transfer Station (TS).
Project name

II. DURATION

This Agreement shall become effective upon execution by both parties, and shall remain in effect unless terminated as provided for in Article XII, provided that the City may not terminate this Agreement under Paragraph B of Article XII prior to January 28, 2017.

Unless terminated earlier by the City, this contract shall terminate on April 1, 2017, unless extended for an additional period or periods of by mutual agreement by both parties.

III. SERVICES

- A. The Contractor agrees to provide operation services
type of service
("Services") and to furnish all materials, equipment and labor necessary and to abide by all the duties and responsibilities applicable to it for the Project in accordance with the requirements and provisions of the following documents,

including all written modifications incorporated into any of the documents, which are incorporated as part of this Agreement:

Proposal of Contractor, dated June 24, 2016, as modified, restated and attached as Exhibit A.

The contract documents are complementary and what is called for by any one shall be binding. The intention of the documents is to include all labor and materials, equipment and transportation necessary for the proper execution of the Project. Materials or work described in words that so applied have a well-known technical or trade meaning have the meaning of those recognized standards.

The parties may mutually agree to make changes to the quantities of service within the general scope of the Agreement at any time by a written order signed by both parties. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

- B. Quality of Services under this Agreement shall be of the level of quality performed by persons regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Contractor shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City (if any) except when defects should have been apparent to a reasonably competent person regularly rendering this type of service or when the Contractor has actual notice of any defects in the reports and surveys.

IV. INDEPENDENT CONTRACTOR

The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Contractor does not have any authority to execute any contract or agreement on behalf of the City, and is not granted any authority to assume or create any obligation or liability on the City's behalf, or to bind the City in any way.

V. COMPENSATION OF CONTRACTOR

- A. The Contractor shall be paid on the basis of the unit prices stated in Exhibit B. The total fee to be paid the Contractor shall be an indefinite amount as it will be based on the total amount of material delivered to the Contractor by the City requiring the Contractor's Services provided under this Contract. Payment shall be made monthly (30 days after invoice), unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator.
- B. The Contractor will be compensated for Services performed in addition to the Services described in Section III, only when the scope of and compensation for those additional Services have received prior written approval of the Contract Administrator.
- C. The Contractor shall keep complete records of the Services provided, including all records necessary to support the compensation calculations in Exhibit B, so that the City may verify invoices submitted by the Contractor. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

VI. INSURANCE/INDEMNIFICATION

- A. The Contractor shall procure and maintain during the life of this contract such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the act(s) or omission(s) giving rise to the claim were made by the Contractor, any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Contractor shall provide to the City, before the commencement of any work under this contract, documentation satisfactory to the City demonstrating it has obtained the policies and endorsements required by Exhibit C. When requested, Contractor shall provide the same documentation for its subcontractor(s) (if any).
- B. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses, including attorney's fees, resulting or alleged to result, from any acts or omissions by Contractor or its employees and agents occurring in the performance of or breach in this Agreement, except to the extent that any suit, claim, judgment or expense are finally judicially determined to have resulted from the City's negligence or willful misconduct or its failure to comply with any of its material obligations set forth in this Agreement.

VII. WAGE REQUIREMENTS

If the Contractor is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code, the Contractor agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Contractor agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

Contractor agrees that all subcontracts entered into by the Contractor shall contain similar wage provision covering subcontractor's employees who perform work on this contract.

VIII. NON-DISCRIMINATION

The Contractor agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of MCL 37.2209. The Contractor further agrees to comply with the provisions of Section 9:158 of Chapter 112 of Title IX of the Ann Arbor City Code, and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.

IX. REPRESENTATIONS AND WARRANTIES BY THE CONTRACTOR

- A. The Contractor warrants that the quality of its Services under this Agreement shall conform to the level of quality performed by persons regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills, experience and licenses (if applicable) necessary to perform the Services it is to provide pursuant to this Agreement.
- C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services it is to provide pursuant to this Agreement.
- D. The Contractor certifies that it has no personal or financial interest in the Project other than the fee it is to receive under this Agreement. The Contractor further certifies that it shall not acquire any such interest, direct or indirect, which would conflict in any manner with the performance of the Services it is to provide pursuant to this Agreement. Further Contractor agrees and certifies that it does not and will not employ or engage any person with a personal or financial interest in this Agreement.

- E. The Contractor certifies that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes. Further Contractor agrees that the City shall have the right to set off any such debt against compensation awarded for Services under this Agreement.
- F. The Contractor warrants that its proposal was made in good faith, it arrived at the costs of its proposal independently, without consultation, communication or agreement, for the purpose of restricting completion as to any matter relating to such fees with any competitor for these Services; and no attempt has been made or shall be made by the Contractor to induce any other perform or firm to submit or not to submit a proposal for the purpose of restricting competition.

X. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Contractor access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Contractor of any defects in the Services of which the Contract Administrator has actual notice.

XI. ASSIGNMENT

- A. Notwithstanding current subcontracts of the Contractor in place at the time of execution of this Agreement, which are acknowledged and approved by City, the Contractor shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Contractor shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

XII. TERMINATION OF AGREEMENT

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice. The waiver of any breach by any party to this Agreement shall not waive any subsequent breach by any party.
- B. The City may terminate this Agreement, on at least thirty (30) days advance

notice, for any reason, including convenience, without incurring any penalty, expense or liability to Contractor, except the obligation to pay for Services actually performed under the Agreement before the termination date.

- C. Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The Contract Administrator shall give Contractor written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.
- D. The provisions of Articles VI and IX shall survive the expiration or earlier termination of this Agreement for any reason. The expiration or termination of this Agreement, for any reason, shall not release either party from any obligation or liability to the other party, including any payment obligation that has already accrued and Contractor's obligation to deliver all Deliverables due as of the date of termination of the Agreement.

XIII. REMEDIES

- A. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory and/or other legal right, privilege, power, obligation, duty or immunity of the Parties.
- B. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any agreement between the parties or otherwise.
- C. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently effect its right to require strict performance of this Agreement.

XIV. NOTICE

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express

delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONTRACTOR, it shall be addressed and sent to:

Waste Management
Attn: Denise J. Gretz
President
48797 Alpha Drive, Suite 100
Wixom, Michigan 48393

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor
Attn: Craig A. Hupy, P.E.
Public Services Administrator
301 E. Huron St.
Ann Arbor, Michigan 48104

XV. CHOICE OF LAW AND FORUM

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction, excepting the principles of conflicts of law. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XVI. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this Agreement, all documents (i.e., Deliverables) prepared by or obtained by the Contractor as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Contractor as instruments of service unless specifically incorporated in a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use.

XVII. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

XVIII. EXTENT OF AGREEMENT

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Contractor with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. No terms or conditions of either party's invoice, purchase order or other administrative document shall modify the terms and conditions of this Agreement, regardless of the other party's failure to object to such form. This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may only be altered, amended or modified by written amendment signed by the Contractor and the City. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

FOR CONTRACTOR

By: *Dennis J. Gratz*
Its *President*

FOR THE CITY OF ANN ARBOR

By: *Chris Taylor*
Christopher Taylor, Mayor
By: *Jacqueline Beaudry*
Jacqueline Beaudry, City Clerk

Approved as to form

Howard S. Lazarus
Howard S. Lazarus, City Administrator
Craig A. Rupy
Craig A. Rupy, P.E.,
Public Services Administrator

Approved as to form and content

Stephen K. Postema
Stephen K. Postema, City Attorney

EXHIBIT A SCOPE OF SERVICES

Summary of Services:

Waste Management of Michigan, Inc. (WMM) shall provide the CITY with certain services in order to operate the CITY'S Solid Waste Transfer Station ("**Transfer Station**") as well as providing a trans load operation of recyclables from the CITY'S Materials Recovery Facility ("**MRF**"), both of which are located at 4150 Platt Road, Ann Arbor, Michigan (together, the "**Property**") all of the same to provide for loading and transportation of municipal solid waste to a designated disposal facility and the baling, loading, transportation to and processing of recyclable materials at an appropriate processing facility.

Upon 30 days written notice from the CITY, WMM will provide: i) baling, loading, transportation to WMM's MRF and recycling processing services for all CITY recyclables delivered to the Property ii) loading and transportation to WMM's Woodland Meadows Landfill for all CITY waste, both for direct haul solid waste as well as solid waste processed at the Property, as detailed below.

- A. **RECYCLING SERVICES:** The services listed below shall commence upon receipt of written notice from the CITY:
1. WMM will, following mobilization, clean out and stabilize the MRF and associated equipment, and operate the Property to receive and bale approximately 1,000 tons/month of single-stream recyclables delivered by CITY. WMM will also, at no cost to and no interference with its CITY obligations, bale, load, transport and process recyclables delivered by or on behalf of WMM to the Property.
 2. WMM will bale and load all recyclables received by WMM at the Property onto transfer trailers provided by WMM (or a third party to WMM), for transport and processing at a Waste Management owned and operated Single-Stream Processing Facility ("**WMM MRF**") or other mutually agreed upon processing facility.
 3. WMM will market all commodities processed at either the Property or the WMM MRF, and WMM shall properly dispose of all reject materials ("**Rejects**").
 4. On an emergency basis at and following the onset of the Agreement and periodically throughout its term with the acknowledgement of CITY the material may be redirected from the MRF to the Transfer Station and handled as described in Item B below, only when necessary due to circumstances beyond control of the CITY and WMM.
 5. WMM will, within 120 days of commencement of services pursuant to this Section, provide CITY with a written MRF Evaluation Report that includes a condition assessment and evaluation of the MRF and associated equipment, including an estimated cost to recondition/replace/repair the MRF and associated equipment in order to again operate and process recyclables at the MRF.
 6. WMM will use subcontract services as deemed necessary by WMM.

B. MUNICIPAL SOLID WASTE (MSW) SERVICES: The services listed below shall commence upon receipt of written notice from the CITY:

1. WMM will, following mobilization, operate the Property to receive up to 6,000 tons/month of municipal solid waste collected from CITY. On an emergency basis at the onset of the Agreement and periodically throughout the term, the quantity may increase to include some or all of the material from Item A above.
2. Incoming material will be loaded by WMM into transfer trailers provided by WMM (or a third party to WMM). WMM will provide all required switching services.
3. WMM will transport the loaded transfer trailers to the WMM Woodland Meadows Landfill for disposal pursuant to an existing agreement between WMM and CITY.
4. Yard waste will not be received by WMM at the Property.
5. WMM will use subcontract services as deemed necessary by WMM.

C. CITY OBLIGATIONS

1. CITY will continue to direct all recyclable materials collected from the CITY to the Property unless an alternative site is mutually agreed to by both parties.
2. Notwithstanding anything in this Agreement to the contrary, CITY will continue to direct all municipal solid waste collected from CITY to the Property or directly to the Woodland Meadows Landfill.
3. CITY will be responsible for operating the scale and ticketing facilities at the Property.

D. EXCLUDED WMM OBLIGATIONS

1. Costs associated with the CITY Landfill and Compost Center.
2. Costs associated with maintenance/security of grounds, buildings and equipment.
3. Real estate taxes and assessments.

E. OTHER TERMS AND CONDITIONS

1. Equipment to be provided by WMM: See Exhibit A-1.
2. Equipment to be provided by CITY: See Exhibit A-1.
3. Staffing to be provided by WMM: See Exhibit A-2.
4. Staffing to be provided by CITY: See Exhibit A-2.
5. Other CITY Responsibilities: See Exhibit A-3.

6. MRF Building and Transfer Station Building Improvements to be made by CITY, as deemed necessary by WMM in order to complete its obligation under this Agreement as approved by CITY..
7. WMM will provide all required personnel to perform the services set forth in the Agreement.
8. WMM shall have use of the Property outside of the MRF and Transfer Station, for accessory uses (parking, storage, ingress/egress, etc.).

EXHIBIT A-1

Equipment to be provided by WMM:

- Transfer Trucks and Trailers
- Switcher
- Scale house software program (Fastlane) and point of sale register
- Roll-off trucks and containers as required

Equipment to be provided by CITY:

- Scale
- One John Deer model 544k (year 2013) serial number 1 DW544KHEDE651 739 Loader
- Two Clark Model CL C30 (year 2014) Hi-lows
- One Volvo Loader Model L70F (year 2011) serial number 26084
- Excavator
- Fiber sorting conveyer system
- Container sorting conveyer system
- Baler feed conveyer
- Baler and wire strapper
- Bale wire
- Fuel storage facilities

EXHIBIT A-2

Staffing provided by WMM:

- Operators/supervisor
- Mechanic

Staffing provided by CITY:

- Scale attendant
- Grounds/building maintenance/security staff

EXHIBIT A-3

Other CITY Responsibilities:

- Utilities
- Equipment and building maintenance/security
- Property and ground maintenance
- Janitorial and housekeeping
- Lawn mowing/snow removal
- Storm water management

Hours of Operation:

- 7:00 A.M. – 4:30 P.M., Monday – Friday
- 7:00 A.M. – 11:30 A.M., Saturday
- Note: hours may be changed or modified upon mutual agreement of the parties

EXHIBIT B COMPENSATION

General

Contractor shall be paid for those Services performed pursuant to this Agreement inclusive of all reimbursable expenses and government mandated taxes, fees and surcharges (if applicable), in accordance with the terms and conditions herein. The Contractor charges shall be increased each July 1 during the term hereof in proportion to any increase in the CPI for the twelve (12) months ending one month prior to the Anniversary Date. In the event the CPI is no longer viable or no longer reflective of consumer prices in Customer's geographic region, another consumer pricing index or method of adjustment may be used as a replacement for the CPI, subject to the mutual consent of the Parties. "CPI" means the Consumer Price Index for all Urban Consumers – U.S. City Average – Water & Sewer and Trash Collection Services, as published by the U.S. Department of Labor.

The Compensation Schedule below/attached states nature and amount of compensation the Contractor may charge the City:

Recycling:

1. CITY CHARGES

The CITY will pay WMM \$125.00/ton (the "Base Charge") for each ton delivered for WMM's baling, loading, transportation and processing of CITY recyclables at the Property and the WMM MRF, subject to a fuel adjustment based upon the fuel adjustment index set forth at https://www.wm.com/documents/pdfs_for_FEC/CollectionFST.pdf

2. CITY CREDIT

Where the Blended Value (as calculated below) is \$125.00 or less, WMM will credit the CITY the full amount of the Blended Value. Where the Blended Value is greater than \$125.00, WMM will credit the CITY \$125.00 plus sixty percent (60%) of the Blended Value over \$125.00.

3. BLENDED VALUE

To calculate the Blended Value per ton of the recyclables,

- (a) The percentage of each component set forth below contained in the delivered materials as established and revised from time-to-time by composition audits, is multiplied by current value of each component set forth below; and
- (b) Each component value per ton is added together to obtain the Blended Value per ton.
- (c) The CITY acknowledges that the value of a component may be negative.

Blended Value is calculated monthly.

The percentage of each commodity component will be determined by a full system audit to be performed within 60 days of commencement of the agreement, additional audits of up to 2 per rolling 12 months can be performed at the request of the supplier or processor.

"PPW" means the price issued by *RISI PPI Pulp & Paper Week* (or any successor publication) for the Midwest Region, Domestic Price, 1st issue of the month, retroactive to the first of the month.

"SMP" means the price published at www.SecondaryMaterialsPricing.com, (or any successor publication) for the Chicago (Midwest/Central) Region, first dated price each month, retroactive to the first of the month.

If PPW or SMP (or both) is no longer reflective of prevailing market conditions or if an alternative publication more accurately reflects such market conditions, then WMM may propose to use any such alternative publication(s) or alternate method to determine the value of each commodity set forth below. The City's consent, which shall not be unreasonably withheld, conditioned or delayed, to the use of such alternate publication or method shall be required.

"Actual Value" means the average price paid to or charged the processing facility during the month of delivery of the recyclables minus any freight, customs charges, duties, or other charges paid to third parties for such sales.

"T & D" means the average actual cost of transportation and disposal of non-recyclables per ton in the month of delivery.

Material Component	Commodity Value
Paper including newspapers, magazines and inserts	PPW High Price for #2 Mixed Paper
Cardboard	PPW High Price for OCC #11
Aluminum beverage cans	SMP Low Price for Aluminum Cans (Sorted, Baled, ¢/lb., picked up)
Steel/Tin	SMP Low Price for Steel Cans (Sorted, Baled, \$/Ton picked up)
Plastic #1	SMP Average Price for PET (baled, ¢/lb. picked up)
Plastic #2 Natural	SMP Average Price for Natural HDPE (baled, ¢/lb. picked up)
Plastic #2 Colored	SMP Average Price for Colored HDPE (baled, ¢/lb. picked up)
#3-#7 Plastics	SMP Average Price for Comingled Plastics (#3-7 baled, ¢/lb. picked up)
Rigid Plastics	Actual Value
Glass	Actual Value
Residue	T and D

By way of example:

GRADES	Composition per ton	Value per ton	Total Revenue per ton
Paper including newspapers, magazines and inserts	57.1%	\$70.00	\$39.97
Cardboard and other brown papers	14.9%	\$110.00	\$16.39
Aluminum beverage cans	0.20%	\$1,140.00	\$2.28
Steel/Tin	1.90%	\$140.00	\$2.66
Plastic #1	2.10%	\$200.00	\$4.20
Plastic #2 Natural	0.90%	\$640.00	\$5.76
Plastic #2 Colored	1.00%	\$30.00	\$0.30
#3-#7 Plastics	2.90%	\$5.00	\$0.15
Rigid Plastics	2.00%	\$6.00	\$0.12
Glass	7.40%	\$(22.00)	(\$1.63)
Residue	9.60%	\$(45.51)	(\$4.37)
Blended Value per Ton	100.0%		\$65.83

In this Blended Value example CITY would receive a credit equal to the blended value of \$65.83 per ton. The net charge to City per ton would be \$59.17 per ton ($\$125.00 - \$65.83 = \59.17).

If the Blended Value was \$126.00 per ton, City would receive a payment of \$0.60 per ton ($\$126.00 - \$125.00 = \$1.00 \times 60\% = \0.60).

Solid Waste:

- \$9.00/ton shall be paid by the CITY for transportation of CITY waste from the Property to Woodland Meadows Landfill, subject to a fuel adjustment clause (based upon fuel adjustment index set forth on WMI website).
- \$75,000/month shall be paid by the CITY for WMM operation of the Property (e.g., loading and compacting of MSW and recyclables and incidental items related thereto).

MRF Evaluation Report:

- \$10,000.00 within 30 days of invoice and delivery of report to CITY.

**EXHIBIT C
INSURANCE REQUIREMENTS**

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall provide certificates of insurance to the City on behalf of itself, and when requested any subcontractor(s). The certificates of insurance and required endorsements shall meet the following minimum requirements.

- A. The Contractor shall have insurance that meets the following minimum requirements:
1. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit
 2. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined
\$2,000,000 Per Job General Aggregate
\$1,000,000 Personal and Advertising Injury
 3. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
 4. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.
- B. Insurance required under A.2 and A.3 above shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not

be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.

- C. Insurance companies and policy forms are subject to approval of the City Attorney, which approval shall not be unreasonably withheld. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. Contractor shall furnish the City with satisfactory certificates of insurance and endorsements prior to commencement of any work. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Contractor shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.

**AGREEMENT BETWEEN
WASTE MANAGEMENT OF MICHIGAN, INC.
AND
THE CITY OF ANN ARBOR
FOR SOLID WASTE DISPOSAL**

THIS AGREEMENT is made on the 1ST day of July, 2002, between the CITY OF ANN ARBOR, a Michigan Municipal Corporation, 100 N. Fifth Avenue, Ann Arbor, Michigan 48104 ("City") and Waste Management of Michigan, Inc. ("Contractor") (A Michigan corporation), 5900 Hannan Road, Wayne, MI 48184.

Based upon the mutual promises below, the Contractor and the City agree as follows:

ARTICLE I - Scope of Work

The Contractor agrees to furnish all of the materials, equipment and labor necessary; and to abide by all the duties and responsibilities applicable to it for the project titled "Solid Waste Disposal Services, RFP No. 531" in accordance with the requirements and provisions of the following documents, including all written modifications incorporated into any of the documents, which are incorporated as part of this Contract: Human Rights Division Contract, Request for Proposal, Technical Proposal, Cost Proposal, Contract and Addendums.

ARTICLE II - Definitions

Administering Department means Solid Waste Department

Contract Administrator means Director of Solid Waste Department or other persons acting under the authorization of the Director of the Administering Department.

Project means Solid Waste Disposal RFP No. 531

Non-hazardous solid waste is solid waste that is authorized for disposal in a Part 115 (Natural Resources Environmental Protection Act, 1994 P.A. 451) licensed solid waste disposal facility (i.e. Woodland Meadows, Pine Tree Acres).

Glass aggregate is glass which has been crushed or ground to a size not larger than 5/8 inch, with not more than 5 percent contamination by weight. This aggregate is not required to be separated by color.

Special Waste is defined for purposes of this agreement as scum, screenings and grit from the Ann Arbor Utilities Department which has been characterized prior to transport to the landfill.

ARTICLE III - Term

This agreement shall become effective on July 1, 2002, and shall remain in effect for a period of five years, terminating June 30, 2007, unless terminated for breach or as provided in this agreement.

The City shall have the option to renew this contract for two additional five-year terms on the same terms and conditions as the original contract term. The City Administrator shall provide notice to Contractor no less than sixty days prior to the end of current contract/renewal term informing the Contractor of the City's election to renew the contract. The parties agree to execute a renewal agreement for any renewal period exercised by the City.

ARTICLE IV - The Contract Sum

The amount of the contract and method of payment is shown in Attachment A.

ARTICLE V – Insurance/Indemnification

A. The Contractor shall procure and maintain during the life of this Contract, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this Contract; whether the acts were made by the Contractor or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

1. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

2. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations or Pollution coverage. Further, the following minimum limits of liability are required:

\$500,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined.

\$1,000,000 Per Job General Aggregate

\$1,000,000 Personal and Advertising Injury

3. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$500,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

4. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$5,000,000.

B. Insurance required under VI.A.2 and VI.A.3 of this Contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.

C. In the case of all Contracts involving on-site work, the Contractor shall provide to the City before the commencement of any work under this Contract documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Contractor supplies a copy of the endorsements required on the policies. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this Contract, the Contractor shall deliver proof of renewal and/or new policies to the Administering Department at least ten days prior to the expiration date.

D. Any insurance provider of Consultant shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.

E. To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortious acts or omissions by the Contractor or its employees and agents occurring in the performance of this agreement.

ARTICLE VI – Compliance Requirements

A. Nondiscrimination. The Contractor agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to take affirmative action to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate any inequality based upon

race, national origin or sex. The Contractor agrees to comply with the provisions of Section 9:161 of Chapter 112 of the Ann Arbor City Code.

B. Living Wage. The Consultant agrees to comply with living wage provisions of Chapter 23 of the Ann Arbor City Code and, if a "covered employer" as defined therein to pay those employees providing Services to the City under this agreement a "living wage," as defined in Chapter 23 of the Ann Arbor City Code; and, if requested by the City, provide documentation to verify compliance. The Consultant agrees to comply with the provisions of Section 1:815 of Chapter 23 of the Ann Arbor City Code

ARTICLE VII – Warranties by Contractor

A. The Contractor warrants that the quality of its services under this agreement shall conform to the level of quality performed by experts regularly rendering this type of service.

B.. The Contractor warrants that it has all the skills and experience necessary to perform the services it is to provide pursuant to this agreement. The Contractor may rely upon the accuracy of reports provided to it by the City except when defects should have been apparent to a reasonably competent Contractor or when it has actual notice of any defects in the reports and surveys.

C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the services specified in this agreement.

ARTICLE VIII – Termination of Agreement; Rights on Termination; Liquidated Damages

A. This agreement may be terminated by either party in the case of a breach of this agreement by the other party, if the breaching party has not corrected the breach within 15 days after notice of termination is given in conformance with the terms of this agreement subject to the following:

As an independent requirement, where the terms of the Request for Proposal identify certain portions of the work to be completed within a specified period of time and the Contractor fails to complete each portion within the specified period for each portion the City is entitled to deduct from the monies due the Contractor, as liquidated damages and not as a penalty, the amount identified in the contract documents for each portion of the work not timely completed for each incident. If any liquidated damages are unpaid by the Contractor, the City shall be entitled to deduct these unpaid liquidated damages from the monies due the Contractor.

The liquidated damages are for the non-quantifiable aspects of any of the previously identified events and do not cover actual damages that can be shown or quantified nor are they intended to preclude recovery of actual damages in addition to the recovery of liquidated damages. Liquidated damages under this section are in addition to any liquidated damages due under the Contract Compliance requirements of the contract.

B. The City shall have the privilege, with or without cause, to cancel and annul this agreement on 90 days written notice prior to June 30th of any year during the term of this agreement in accordance with the notice provisions contained herein. If services are terminated for reasons other than the breach of the agreement by the Contractor, the Contractor shall be compensated for services rendered prior to notification of termination.

ARTICLE IX - Obligations of the City

A. The City agrees to give the Contractor access to staff and City owned properties and to perform such services as it has reserved to itself in the contract documents.

B. The City shall notify the Contractor of any defects in the services of which the City has actual notice.

ARTICLE X- Assignment

A. The Contractor shall not subcontract or assign any portion of the services without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.

B. The Contractor shall retain the right to pledge payment(s) due and payable under the agreement to third parties.

ARTICLE XI - Choice of Law

This Contract shall be construed, governed, and enforced in accordance with the laws of the State of Michigan. By executing this agreement, the Contractor and the City agree to venue in a court of appropriate jurisdiction sitting within Washtenaw County for purposes of any action arising under this Contract.

ARTICLE XII - Severability

Whenever possible, each provision of this agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this agreement or the application of the provision to other parties or other circumstances.

ARTICLE XIII - Relationship of the Parties

A. The parties of the Contract agree that it is not a contract of employment but is a contract to accomplish a specific result. Contractor is an independent contractor performing services for

the City. Nothing contained in this Contract shall be deemed to constitute any other relationship between the City and the Contractor.

B. Contractor certifies that it has no personal or financial interest in the project other than the compensation it is to receive under the Contract. Contractor certifies that it is not, and shall not become, overdue or in default to the City for any contract, debt, or any other obligation to the City including real or personal property taxes. City shall have the right to set off any such debt against compensation awarded for services under this agreement.

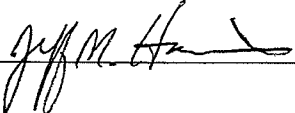
ARTICLE XIV - Notice

All notices and submissions required under the agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this agreement when personally delivered to the Contract Administrator or placed in the U.S. mail, postage prepaid to the Administering Department, care of the Contract Administrator.

ARTICLE XV - Entire Agreement

This Contract represents the entire understanding between the City and the Contractor and it supersedes all prior representations or agreements whether written or oral. Neither party has relied on any prior representations in entering into this Contract. This Contract may be altered, amended or modified only by written amendment signed by the City and the Contractor.

**FOR WASTE MANAGEMENT
OF MICHIGAN, INC.**

By
Its: 

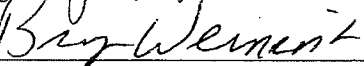
FOR THE CITY OF ANN ARBOR

By 
John Hieftje, Mayor

By 
Yvonne Carl, Interim City Clerk 7/19/02

Approved as to Substance

By 
Roger W. Fraser, City Administrator

By 
Bryan Weinhert, Interim Director
Solid Waste Department

Approved as to Form

By  7-10-02
Abigail Elias, City Attorney

ATTACHMENT A: COST PROPOSAL FORM

RFP #531 FOR SOLID WASTE DISPOSAL for the CITY OF ANN ARBOR

FORM B: COST PROPOSAL FORM – DISPOSAL ONLY

1: COMPANY NAME: Waste Management

The undersigned has examined the complete Request for Proposal and its requirements contained in the solicitation for disposal services for the City of Ann Arbor and is submitting the following Cost Proposal Form in full compliance with those requirements.

The undersigned states that this cost and price analysis is submitted in full compliance with the provision of the paragraph titled 'Independent Price Determination' in Section 3.10 of the RFP to which this proposal is a response.

SIGNATURE: Michael Fleming

NAME/TITLE: Michael Fleming - Director of Operations

DATE: April 25, 2002

2: PROPOSED RATE SCHEDULE:

The proposed tipping fees shall include all state and local fees as part of the Proposers maximum, not to exceed, per cubic yard and per ton disposal fee provided on this Cost Proposal Form.

2a: SOLID WASTE DISPOSAL SERVICES – TRANSFER TRAILER:

- 1) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 10.17 per ton
- 2) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>10.17</u> /ton	Year 7 \$ <u>11.39</u> /ton	Year 12 \$ <u>12.77</u> /ton
Year 3 \$ <u>10.40</u> /ton	Year 8 \$ <u>11.66</u> /ton	Year 13 \$ <u>13.06</u> /ton
Year 4 \$ <u>10.64</u> /ton	Year 9 \$ <u>11.92</u> /ton	Year 14 \$ <u>13.36</u> /ton
Year 5 \$ <u>10.89</u> /ton	Year 10 \$ <u>12.20</u> /ton	Year 15 \$ <u>13.67</u> /ton
Year 6 \$ <u>11.14</u> /ton	Year 11 \$ <u>12.48</u> /ton	

- 3) Note that Proposers are encouraged to submit an alternate per cubic yard price if they believe this would be in the best interest of the City.

**FORM B: COST PROPOSAL FORM – DISPOSAL ONLY
(Continued)**

2b: SOLID WASTE DISPOSAL SERVICES – DIRECT HAUL PACKER TRUCKS:

1) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 10.17 per ton

2) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>10.17</u> /ton	Year 7 \$ <u>11.39</u> /ton	Year 12 \$ <u>12.77</u> /ton
Year 3 \$ <u>10.40</u> /ton	Year 8 \$ <u>11.66</u> /ton	Year 13 \$ <u>13.06</u> /ton
Year 4 \$ <u>10.64</u> /ton	Year 9 \$ <u>11.92</u> /ton	Year 14 \$ <u>13.36</u> /ton
Year 5 \$ <u>10.89</u> /ton	Year 10 \$ <u>12.20</u> /ton	Year 15 \$ <u>13.67</u> /ton
Year 6 \$ <u>11.14</u> /ton	Year 11 \$ <u>12.48</u> /ton	

3) Note that Proposers are encouraged to submit an alternate per cubic yard price if they believe this would be in the best interest of the City.

**2c: Glass Aggregate for Beneficial Use
(Alternative Daily Cover or Construction Aggregate):**

1) First Year (7/1/2002 to 6/30/2003) Unit Payment to City : \$ 1.50 per ton

2) Specify fixed unit payment to the City for second through 15th year of contract:

Year 2 \$ <u>1.50</u> /ton	Year 7 \$ <u>1.50</u> /ton	Year 12 \$ <u>1.50</u> /ton
Year 3 \$ <u>1.50</u> /ton	Year 8 \$ <u>1.50</u> /ton	Year 13 \$ <u>1.50</u> /ton
Year 4 \$ <u>1.50</u> /ton	Year 9 \$ <u>1.50</u> /ton	Year 14 \$ <u>1.50</u> /ton
Year 5 \$ <u>1.50</u> /ton	Year 10 \$ <u>1.50</u> /ton	Year 15 \$ <u>1.50</u> /ton
Year 6 \$ <u>1.50</u> /ton	Year 11 \$ <u>1.50</u> /ton	

**FORM B: COST PROPOSAL FORM – DISPOSAL ONLY
(Continued)**

2d: WASTEWATER TREATMENT SLUDGE DISPOSAL SERVICES:

1) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 7.03 per ton

2) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>7.03</u> /ton	Year 7 \$ <u>7.88</u> /ton	Year 12 \$ <u>8.82</u> /ton
Year 3 \$ <u>7.19</u> /ton	Year 8 \$ <u>8.06</u> /ton	Year 13 \$ <u>9.03</u> /ton
Year 4 \$ <u>7.36</u> /ton	Year 9 \$ <u>8.24</u> /ton	Year 14 \$ <u>9.24</u> /ton
Year 5 \$ <u>7.53</u> /ton	Year 10 \$ <u>8.43</u> /ton	Year 15 \$ <u>9.45</u> /ton
Year 6 \$ <u>7.70</u> /ton	Year 11 \$ <u>8.63</u> /ton	

2e: STREET SWEEPINGS DISPOSAL SERVICES:

1) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 10.17 per ton

2) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>10.17</u> /ton	Year 7 \$ <u>11.39</u> /ton	Year 12 \$ <u>12.77</u> /ton
Year 3 \$ <u>10.40</u> /ton	Year 8 \$ <u>11.66</u> /ton	Year 13 \$ <u>13.06</u> /ton
Year 4 \$ <u>10.64</u> /ton	Year 9 \$ <u>11.92</u> /ton	Year 14 \$ <u>13.36</u> /ton
Year 5 \$ <u>10.89</u> /ton	Year 10 \$ <u>12.20</u> /ton	Year 15 \$ <u>13.67</u> /ton
Year 6 \$ <u>11.14</u> /ton	Year 11 \$ <u>12.48</u> /ton	

ADDENDUM #1 ATTACHMENT B: COST PROPOSAL FORM

**RFP #531 FOR SOLID WASTE DISPOSAL
for the
CITY OF ANN ARBOR.**

FORM C: COST PROPOSAL FORM –TRANSFER ONLY

1: COMPANY NAME: Waste Management

The undersigned has examined the complete Request for Proposal and its requirements contained in the solicitation for disposal services for the City of Ann Arbor and is submitting the following Cost Proposal Form in full compliance with those requirements.

The undersigned states that this cost and price analysis is submitted in full compliance with the provision of the paragraph titled 'Independent Price Determination' in Section 3.10 of the RFP to which this proposal is a response.

SIGNATURE: Michael Fleming

NAME/TITLE: Michael Fleming - Director of Operations

DATE: April 25, 2002

2: PROPOSED RATE SCHEDULE:

SOLID WASTE TRANSFER SERVICES:

**Note – Price request is “per pull” not per cy or per ton as in the original RFP
Do not include disposal**

1) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 180.00 per pull.

2) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>186.00</u> /pull	Year 7 \$ <u>186.00</u> /pull	Year 12 \$ <u>193.00</u> /pull
Year 3 \$ <u>186.00</u> /pull	Year 8 \$ <u>193.00</u> /pull	Year 13 \$ <u>193.00</u> /pull
Year 4 \$ <u>186.00</u> /pull	Year 9 \$ <u>193.00</u> /pull	Year 14 \$ <u>193.00</u> /pull
Year 5 \$ <u>186.00</u> /pull	Year 10 \$ <u>193.00</u> /pull	Year 15 \$ <u>193.00</u> /pull
Year 6 \$ <u>186.00</u> /pull	Year 11 \$ <u>193.00</u> /pull	

CITY OF ANN ARBOR
SOLID WASTE DEPARTMENT
SOLID WASTE DISPOSAL SERVICES RFP

CLARIFYING QUESTION #1
SUPPLEMENTAL PRICING INFORMATION FORM

To submit a response, this Clarifying Question #1 Supplemental Pricing Information Form must be submitted with authorizing signature no later than Thursday, May 23, by 4 pm, via fax at the City of Ann Arbor Purchasing Division, fax number 734 994-1786, Attention: Doug Smith.

The signature below certifies I am authorized to offer such services and that I have carefully reviewed the clarifying question #1:

Michael Henry Director of Operations 5/23/02
Signature Title Date

1: WASTEWATER TREATMENT SLUDGE HAULING SERVICES:

a) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 9.00 per ton

b) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>9.00</u> /ton	Year 7 \$ <u>10.00</u> /ton	Year 12 \$ <u>11.00</u> /ton
Year 3 \$ <u>9.00</u> /ton	Year 8 \$ <u>10.00</u> /ton	Year 13 \$ <u>11.00</u> /ton
Year 4 \$ <u>9.00</u> /ton	Year 9 \$ <u>10.00</u> /ton	Year 14 \$ <u>11.00</u> /ton
Year 5 \$ <u>9.00</u> /ton	Year 10 \$ <u>10.00</u> /ton	Year 15 \$ <u>11.00</u> /ton
Year 6 \$ <u>10.00</u> /ton	Year 11 \$ <u>11.00</u> /ton	

2: PER HOUR DEMURRAGE CLAIMS (See Section E):

a) First Year (7/1/2002 to 6/30/2003) Unit Costs: \$ 50.00 per hour

b) Specify fixed unit cost for second through 15th year of contract:

Year 2 \$ <u>50.00</u> /hour	Year 7 \$ <u>55.00</u> /hour	Year 12 \$ <u>60.50</u> /hour
Year 3 \$ <u>50.00</u> /hour	Year 8 \$ <u>55.00</u> /hour	Year 13 \$ <u>60.50</u> /hour
Year 4 \$ <u>50.00</u> /hour	Year 9 \$ <u>55.00</u> /hour	Year 14 \$ <u>60.50</u> /hour
Year 5 \$ <u>50.00</u> /hour	Year 10 \$ <u>55.00</u> /hour	Year 15 \$ <u>60.50</u> /hour
Year 6 \$ <u>55.00</u> /hour	Year 11 \$ <u>60.50</u> /hour	

3: OFF HOURS HAULING PREMIUM - FROM 5 PM TO 4 AM MONDAY-FRIDAY:

a) Premium increase Hauling Cost for Off-Hours Hauling: \$ 3.00 per ton add-on to #1

4: CONTRACTOR'S VEHICLE INFORMATION:

a) Indicate size/capacity of the proposed hauling vehicle: 60 Cubic Yards

b) Indicate the number of vehicles to be used for hauling on a daily basis: 2 Vehicles
Additional vehicles are available if necessary.

COST PROPOSAL ADDENDUM #1

SOLID WASTE DISPOSAL CONTRACT WITH WASTE MANAGEMENT OF MICHIGAN, INC.

Section I

1. Payment shall be made monthly following receipt of the bills submitted by the Contractor and approved by the Contract Administrator.
2. It is agreed by the parties that invoicing for heavy waste delivered by Recycle Ann Arbor, the City's agent, may be invoiced directly for payment to Recycle Ann Arbor. Heavy waste will be billed at the same rate as solid waste. Should payment not be received from Recycle Ann Arbor, it is understood that the City will be obligated to compensate Contractor for services rendered under the terms of this agreement.
3. It is agreed by the parties that any tax or fee imposed by a government entity directly related to the disposal of solid waste may be included in the contract fee to the extent proportionate to the tonnage of waste delivered by the City of Ann Arbor to Contractor under this agreement..

It is understood and agreed between the parties that the compensation stated above is inclusive of any and all remuneration to which the Contractor may be entitled.

4. The Wastewater Treatment Sludge Disposal rate quoted in the price proposal form will apply to any Waste Management landfill that is approved to receive the material, regardless of location.
5. Prices quoted for hauling Wastewater Treatment Sludge in the Supplemental Pricing Information Form to Clarifying Question #1 will apply to Pine Tree Acres Landfill, Woodland Meadows Landfill, or any other landfill owned by the Contractor, providing the Contractor is awarded both the hauling and disposal services.

Section II

The Contractor shall keep complete records of tonnage accepted in providing the contract services so that the Administering Department may verify bills submitted by the Consultant. The records shall be made available to the City upon request and submitted in summary form with each bill.



CITY OF ANN ARBOR, MICHIGAN

Public Services Area/Systems Planning
100 North Fifth Ave.

P.O. Box 8647, Ann Arbor, Michigan 48107

Phone: (734) 994-1717 Fax: (734) 996-3064

Web: www.a2gov.org Printed on recycled paper

April 18, 2007

Mr. John Myers, P.E.
Director of Operations
Waste Management of Michigan, Inc.
48797 Alpha Drive, Suite 100
Wixom, MI 48393

Dear John:

As you know, the Ann Arbor City Council unanimously approved a five-year waste disposal contract renewal with Waste Management of Michigan, Inc. (WMM) at its Monday, April 16 Regular Session. A copy of the approved Council resolution and City Administrator- approved cover memo are attached for your information.

I have also attached three copies of a renewal agreement between the City and WMM for your review and signature. This renewal agreement was drafted by our City Attorney's Office, based on the language in the original agreement approved by both parties in 2002.

Please sign all three copies and return to my attention at the address listed above as soon as you are able. Once the City officials have signed all three copies, one fully executed copy will be returned to you for your files.

If you have any questions concerning any of the attached, please feel free to contact me at 734-994-4195 or at bweinert@a2gov.org. I look forward to continuing our positive contractual relationship.

Thank you.

Sincerely,

Bryan E. Weinert
Solid Waste Coordinator
wmmlrenewal.april07



WASTE MANAGEMENT

Michigan Market Area Office
48797 Alpha Drive
Suite 100
Wixom, MI 48393
(248) 596-3500
(248) 596-3595 Fax

April 20, 2007

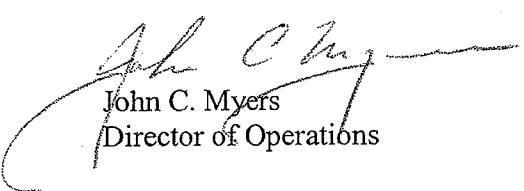
Mr. Bryan Weinert
Ann Arbor - Solid Waste
100 N. Fifth Ave.
P. O. Box 8647
Ann Arbor, MI 48107-8647

RE: Disposal Contract - City of Ann Arbor

Dear Bryan:

Attached are three executed contracts per your instructions. Waste Management looks forward to providing disposal services over this next five-year term.

Very truly yours,



John C. Myers
Director of Operations

JCM:cv

Enclosures

CITY OF ANN ARBOR
SOLID WASTE DISPOSAL RENEWAL AGREEMENT

Whereas, the City of Ann Arbor, a Michigan municipal corporation, located at 100 N. Fifth Avenue, Ann Arbor, MI 48104 (“City”) and WASTE MANAGEMENT OF MICHIGAN, INC. (“Contractor”), a Michigan corporation located at 5900 Hannah Road, Wayne, MI 48184, entered into an agreement for the provision of solid waste disposal services on July 1, 2002 (“Agreement”) and renewed on July 1, 2007.

Whereas, under the terms of the Agreement, the Agreement could be renewed upon proper notice and the mutual agreement of the parties for a period of two five year periods, and

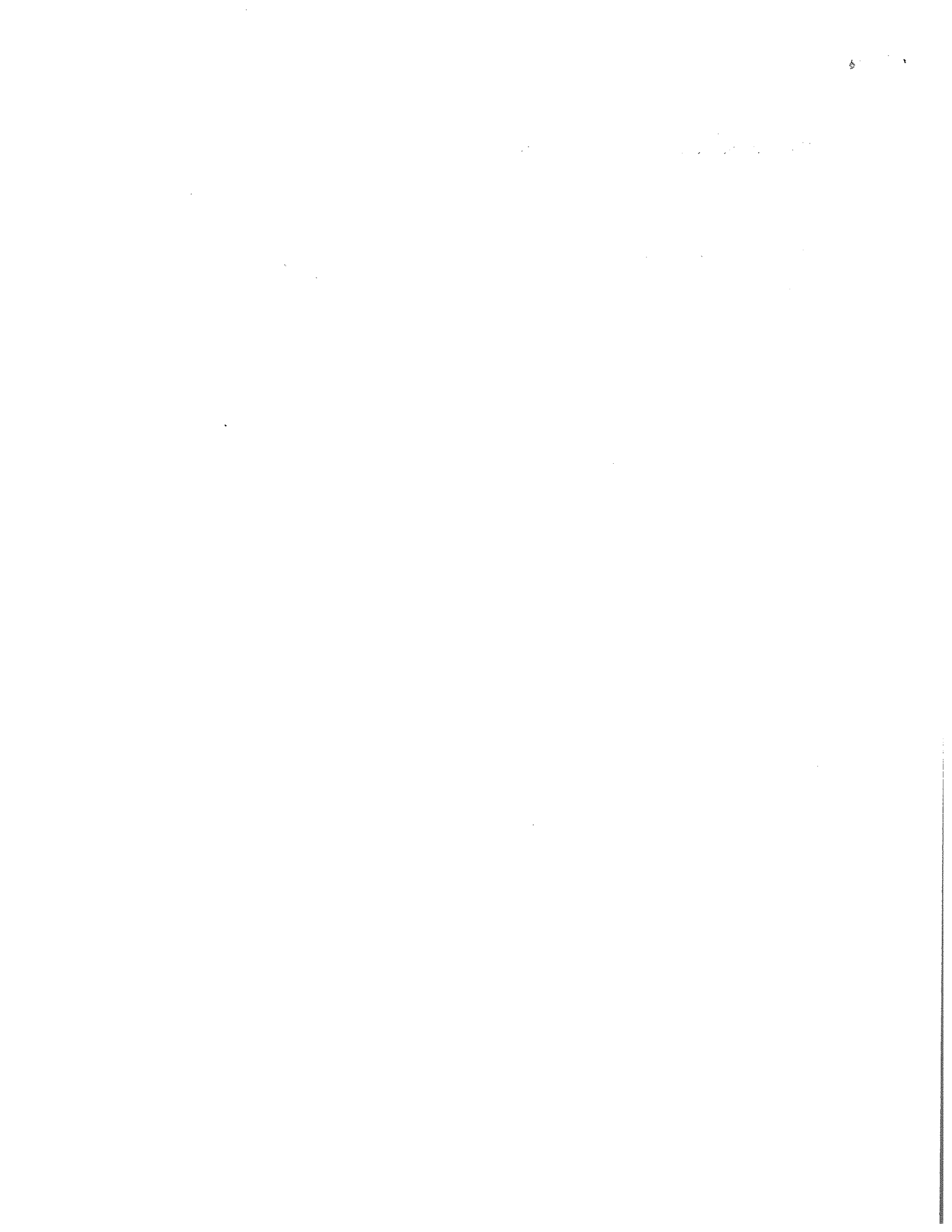
Whereas, notice having been given of the City’s decision to extend the Agreement for a period of five years commencing July 1, 2012, and terminating June 30, 2017.

Therefore, the parties agree as to follows:

1. Contractor shall provide solid waste disposal services as specified in RFP No. 531.
2. Contractor shall maintain during the renewal agreement all insurance required under the original Agreement, dated July 1, 2002, and comply with all terms and conditions thereof, including but not limited to Contract Compliance requirements under City Code Chapter 112 and Living Wage requirements under City Code Chapter 23.
3. City shall pay the Contractor based on the rates shown in Attachment A (Cost Proposal Form) of the original agreement dated July 1, 2002. Contractor to submit invoices as required under the original agreement. Payments subject to approval of the Contract Administrator.

All terms, conditions, and provisions of the original agreement between the parties executed July 1, 2002, unless specifically amended above, are to apply to this renewal and are made a part of this renewal as though expressly rewritten, incorporated, and included herein.

This renewal to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.



This renewal agreement dated July 1, 2012.

FOR CONTRACTOR

By *Denise J. Gretz*
Its: *Area Vice President*

FOR THE CITY OF ANN ARBOR

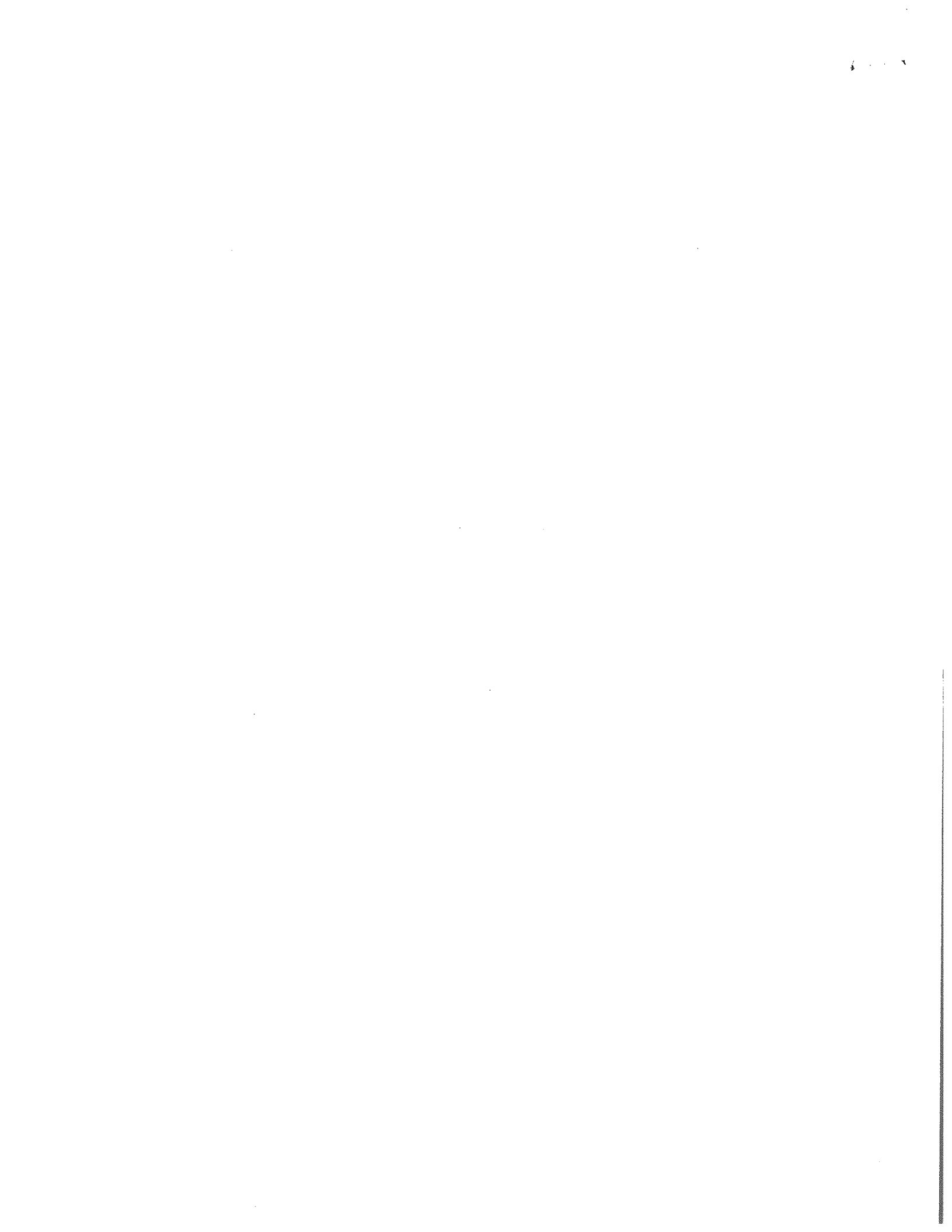
By *Steven D. Powers*
Steven D. Powers, Administrator

Approved as to substance

By *Craig Hupy* *5/11/12*
Craig Hupy,
Interim Public Services Area Administrator

Approved as to form and content

Stephen K. Postema
Stephen K. Postema, City Attorney





CITY OF ANN ARBOR, MICHIGAN
Huron, P.O. Box 8647, Ann Arbor, Michigan 48107
Phone (734) 794-6110
FAX (734) 994-8297

Office of the City Administrator

February 3, 2017

Denise Gretz, President
Waste Management of Michigan, Inc.
48797 Wixom Drive, Suite 100
Wixom, Michigan 48393

NOTICE TO EXTEND

Sent Via First-Class Mail

Dear Ms. Gretz:

As per Section II of the Commercial Collection Service Agreement between the City of Ann Arbor and Waste Management of Michigan dated June 18, 2009, the City of Ann Arbor is providing formal notice that the agreement is extended for one additional term until June 30, 2017.

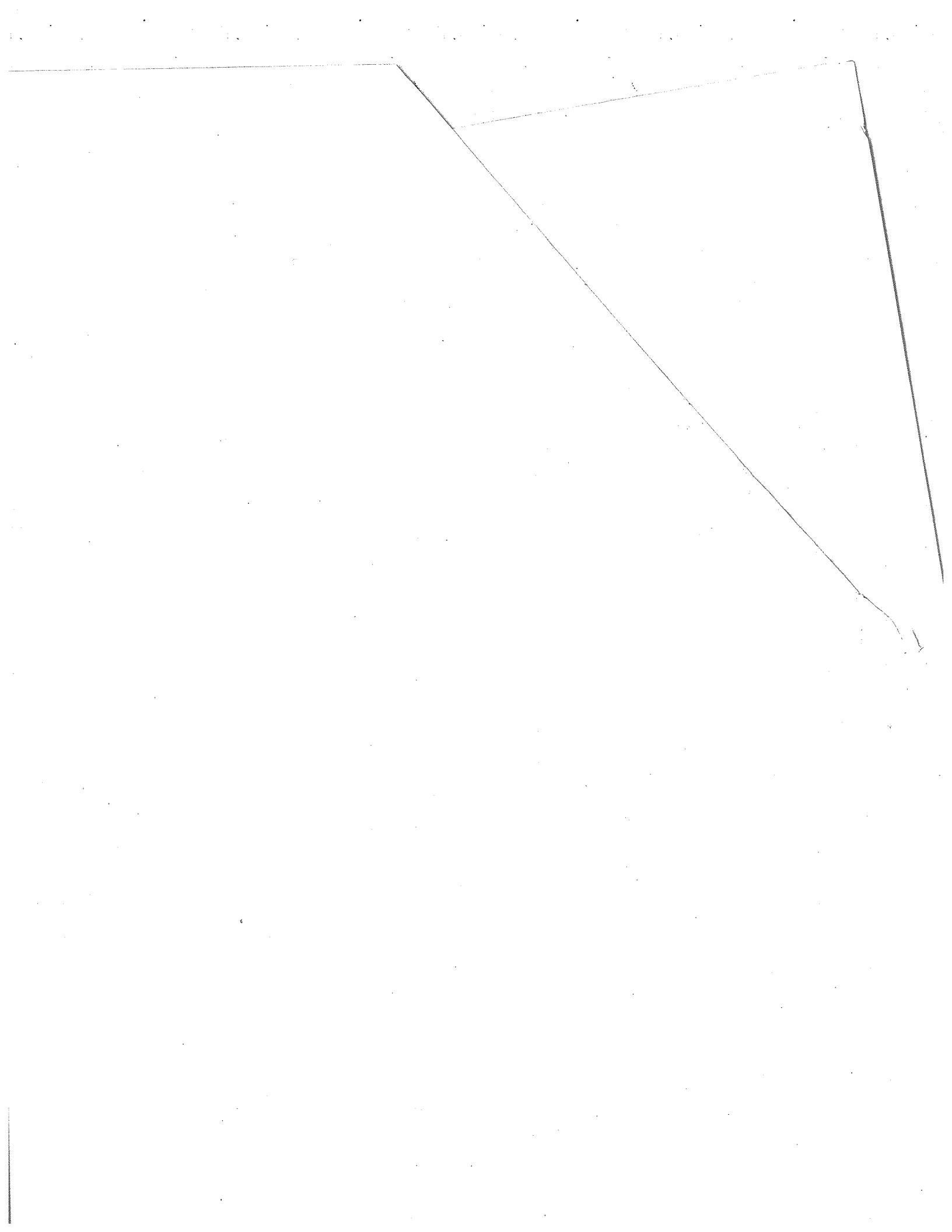
If you have any questions, please do not hesitate to contact the City Solid Waste Coordinator Tom McMurtrie at 734-794-6430, extension 43707.

We look forward to doing continued business with you.

Sincerely,


Steven D. Powers
City Administrator
City of Ann Arbor

Steven D. Powers
City Administrator



**SERVICE AGREEMENT BETWEEN
WASTE MANAGEMENT OF MICHIGAN, INC.
AND
CITY OF ANN ARBOR**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 100 North Fifth Avenue, Ann Arbor, Michigan 48104 ("CITY") and, Waste Management of Michigan, Inc., a Michigan Corporation, having its offices at 48797 Alpha Drive, Suite 100, Wixom, MI, 48393, Federal ID # 38-1214786, a wholly owned subsidiary of Waste Management, Inc., a Delaware Corporation, having its offices at 1001 Fannin Street, Houston, Texas, 77002-6706, Federal ID # 73-1309529 ("CONTRACTOR"), agree this ~~18~~ ^{June} day of ~~March~~, 2009, as follows:

The Contractor agrees to provide services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means the Public Services Area.

Contract Administrator means the Systems Planning Unit Manager, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit

Project means Commercial Refuse Collection Services including all additional definitions provided in Exhibit C, Project Definitions, and Project details as provided in Exhibit D, Performance Specifications.

II. DURATION

This agreement shall become effective at time of execution, and shall remain in effect until June 30, 2014, unless terminated for breach or as provided in this agreement. At the City's option, upon notice to the Contractor, the Contract may be extended for one additional term until June 30, 2017, unless terminated for breach or as provided in this agreement, and for a second additional term until June 30, 2019, unless terminated for breach or as provided in this agreement.

III. SERVICES

A. General Scope: The Contractor agrees to furnish on an exclusive basis all of the materials, equipment and labor necessary; and to abide by all the duties and responsibilities applicable to it for the Project in accordance with the requirements and provisions of the following documents, including all written modifications incorporated into any of the documents, which are incorporated as part of this Contract:

Contract
Contract Exhibit C, Project Definitions
Contract Exhibit D, Performance Specifications
All other Contract Exhibits
Request for Proposal No. 708 and Addenda #1 and #2
Proposal of Contractor, dated July 10, 2008
including all Responses to Clarifying Questions

The contract documents are complementary and what is called for by any one shall be binding. The intention of the documents is to include all labor and materials, equipment and transportation necessary for the proper execution of the Project. Materials or work described in words that so applied have a well-known technical or trade meaning have the meaning of those recognized standards.

In case of a conflict among the contract documents listed above in any requirement(s), the requirement(s) of the document listed first shall prevail over any conflicting requirement(s) of a document listed later.

- B. Quality of Services: The Contractor's standard of service under this agreement shall be of the level of quality performed by businesses regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator, in his or her reasonable judgment.
- C. Compliance with Applicable Law: The Contractor shall perform its services under this agreement in compliance with all applicable laws, ordinances and regulations.
- D. Location: The Contractor shall provide all of these services within the City of Ann Arbor.

IV. RELATIONSHIP OF PARTIES

- A. The parties to this agreement agree that it is not a contract of employment but is a contract to accomplish a specific result. Contractor is an independent contractor performing services for the City. Nothing contained in this agreement shall be deemed to constitute any other relationship between the City and the Contractor.
- B. The Contractor certifies that it has no personal or financial interest in the project other than the fee it is to receive under this agreement. The Contractor further certifies that it shall not acquire any such interest, direct or indirect, which would conflict in any manner with the performance of services under this agreement. Further Contractor agrees and certifies that it does not and will not employ or engage any person with a personal or financial interest in this agreement.
- C. Contractor does not have any authority to execute any contract or agreement on behalf of the City, and is not granted any authority to assume or create any obligation or liability on the City's behalf, or to bind the City in any way.
- D. Contractor certifies that it is not, and shall not become, overdue or in default to the City for any contract, debt, or any other obligation to the City including real or personal property taxes. City shall have the right to set off any such overdue debt against compensation awarded for services under this agreement.

V. COMPENSATION OF CONTRACTOR

The Contractor shall be paid on the basis of the Fee Schedule shown in Exhibit E, Contractor's Compensation. Payment shall be made within 30 days of receipt of invoice by the Contract Administrator. It is understood and agreed between the parties that the compensation stated above is inclusive of any and all remuneration to which the

Contractor may be entitled, except as otherwise expressly authorized under the terms of this agreement.

VI. INSURANCE; INDEMNIFICATION

A. The Contractor shall procure and maintain during the life of this agreement, including the guarantee period and during any warranty work, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this agreement; whether the acts were made by the Contractor or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

1. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

2. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground coverage or Pollution. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined.

\$2,000,000 Per Job General Aggregate

\$1,000,000 Personal and Advertising Injury

\$2,000,000 Products and Completed Operations Aggregate

3. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

4. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

B. Insurance required under VI.A.2 and A.3 of this agreement shall be considered primary as respects any other valid or collectible insurance that the City may

possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the policies of the Contractor shall contain a waiver of subrogation rights.

- C. The Contractor shall provide to the City before the commencement of any work under this agreement documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Contractor supplies a copy of the endorsements required on the policies. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this agreement, the Contractor shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.
- D. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- E. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, in whole or in part, from any negligent act or omission, which is in any way connected or associated with this agreement, by the Contractor or anyone acting on the Contractor's behalf under this agreement. Contractor shall not be responsible to indemnify the City for losses or damages caused by or resulting from the City's sole negligence. This indemnity and duty to defend shall survive the expiration or termination of this agreement.

VII. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Contractor agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to take action to assure that applicants are employed and employees are treated during employment in a manner that provides equal employment opportunity and tends to eliminate any inequality based upon race, color, religion, national origin, age, sex, height, weight or marital status. The Contractor agrees to comply with the provisions of Section 9:161 of Chapter 112 of the Ann Arbor City Code, Exhibit A.

- B. Wages: Under this agreement, the Contractor shall conform to Chapter 14 of Title I of the Code of the City of Ann Arbor as amended; which in part states "...that all craftsmen, mechanics and laborers employed directly on the site in connection with said improvements, including said employees of subcontractors, shall receive the prevailing wage for the corresponding classes of craftsmen, mechanics and laborers, as determined by statistics for the Ann Arbor area compiled by the United States Department of Labor. At the request of the City, any contractor or subcontractor shall provide satisfactory proof of compliance with the contract provisions required by the Section." Where this agreement and the Ann Arbor City Ordinance are silent as to definitions of terms required in determining contract compliance with regard to prevailing wages, the definitions provided in the Davis-Bacon Act as amended (40 U.S.C. 278-a to 276-a-7) for the terms shall be used.

Further, to the extent that any employees of the Contractor providing services under this agreement are not part of the class of craftsmen, mechanics and laborers who receive a prevailing wage in conformance with Section 1:319 of Chapter 14 of Title I of the Code of the City of Ann Arbor, the Contractor agrees to conform to Chapter 23, Living Wage, of Title I of the Code of the City of Ann Arbor, as amended. The Contractor agrees to pay those employees providing Services to the City under this agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23. A copy of selected provisions of Chapter 23 of the Ann Arbor City Code is attached as Exhibit B. The current living wage rates under Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) of the Ann Arbor City Code, is \$10.85 an hour for a covered employer that provides employee health care to its employees and \$12.56 an hour for a covered employer that does not provide health care to its employees.

VIII. WARRANTIES BY CONTRACTOR

- A. The Contractor warrants that the quality of its services under this agreement shall conform to the level of quality performed by professionals regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills and experience necessary to perform the services it is to provide pursuant to this agreement. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent contractor or when it has actual notice of any defects in the reports and surveys.

IX. TERMINATION OF AGREEMENT; RIGHTS ON TERMINATION

- A. Failure of the Contractor to collect and transport the materials required to be collected pursuant to the contract documents or failure of the Contractor to perform the work in the manner required to be performed pursuant to the contract documents

shall constitute a breach of the agreement, provided such failure is not due to war, insurrection, riots, or act of God, or circumstances beyond the contractor's reasonable control.

- B. If the Contractor fails to collect and transport the materials required to be collected pursuant to the agreement or fails to perform the work in the manner required to be performed pursuant to the contract documents, the City may take the following actions, at its discretion:
1. The City shall give the Contractor written notice of the breach and an opportunity for corrective action within five (5) consecutive working/collection days or other period of time decided by the City. If the Contractor fails to correct the breach within the time provided after the written notice, the City may terminate the agreement for breach of contract by the Contractor and all liability of the City under the agreement to the Contractor shall cease.
 2. If the Contractor has had repeated or cumulative breaches of the agreement, the City may terminate the agreement immediately.
 3. If the Contractor knowingly collects and transports materials not covered by this agreement with refuse collected and transported under the terms of this agreement, such action shall be a breach of the agreement for which the City may terminate the agreement immediately.
 4. If the City terminates the agreement for breach by the Contractor, the City may take over refuse collection operations and shall be free to negotiate with other Contractors for the performance of the work. A contract entered into with another Contractor shall not release the Contractor of its liability to the City for breach of this agreement, including any excess costs resulting from the breach.
 5. If the Contractor fails to collect and transport refuse materials required to be collected pursuant to the agreement, except due to circumstances beyond the contractor's reasonable control, the City may perform the refuse collection operations that the Contractor failed to perform and shall be free to negotiate with other contractors for the performance of the work. Any and all operating expenses incurred by the City in so doing may be deducted from compensation to the Contractor.
- C. Neither a decision by the City not to take action nor the failure of the City to take action in the event of a breach by the Contractor shall constitute a waiver of the City's right to take action in the event of a subsequent breach by the Contractor.
- D. The City reserves the right to terminate the agreement at any point during the term should sufficient funds not be available for these services. The City shall notify the Contractor in writing of termination of the agreement, including the effective date of the termination, a minimum of 28 days before the effective date of the termination. In the event of termination under this paragraph, the City shall reimburse the Contractor for capital expenditures in accordance with the following schedule, except that no reimbursement for capital expenditures is required if the effective date of termination is prior to July 1, 2009:

1. July 1, 2009 to June 30, 2010 Termination Date: \$243,000.00
2. July 1, 2010 to June 30, 2011 Termination Date: \$189,000.00
3. July 1, 2011 to June 30, 2012 Termination Date: \$135,000.00
4. July 1, 2012 to June 30, 2013 Termination Date: \$81,000.00
5. July 1, 2013 or later Termination Date: \$0.00

E. Upon reinstatement of the funding, this agreement shall remain in effect, in accordance with its terms.

F. If contracting services are terminated for reasons other than the breach of the agreement by the Contractor, the Contractor shall be compensated in accordance with Exhibit E for services rendered prior to the effective date of the termination.

X. OBLIGATIONS OF THE CITY

A. The City agrees to give the Contractor access to staff and City owned properties as required to perform the necessary services under the agreement.

B. The City shall notify the Contractor of any defects in the services of which the City has actual notice.

XI. ASSIGNMENT

A. The Contractor shall not subcontract or assign any portion of the services without prior written consent to such action by the City.

XII. SURCHARGES

Contractor may increase the monthly charges by the amount of any federal, state or local fee or surcharge which may be imposed on the services set forth in this agreement. The Contractor shall provide proof of such increase in writing.

XIII. NOTICE

All notices and submissions required under the agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this agreement when personally delivered to the Contract Administrator or placed in the U.S. mail, postage prepaid to the Administering Service Area/Unit, care of the Contract Administrator.

XIV. DEFAULT AND LETTER OF CREDIT COVERAGE

A. Upon the execution of this agreement, the Contractor shall furnish the City with a Letter of Credit drawn on a financial institution within the City limits in the amount of \$250,000 (two hundred and fifty thousand dollars), in the form attached hereto as Exhibit G, conditioned upon the satisfactory performance by the Contractor of all of its obligations hereunder with the requirements listed below.

1. The credit is irrevocable for the length of the agreement;

2. The credit is non-transferable;
 3. The beneficiary is the City of Ann Arbor, 100 N. Fifth Ave., Ann Arbor, MI 48107;
 4. The only document required for drawing on the letter of credit is a signed affidavit from the City Administrator or the Contract Administrator that meets the requirements of the form of letter of credit that is attached as Exhibit G.
 5. Multiple draws must be permitted up until the full amount of the credit is exhausted;
 6. The credit is to be governed by the Uniform Commercial Code in the State of Michigan;
 7. Presentation of the affidavit for a draw on the credit must be to a location within the city limits and available during normal banking hours; and
 8. Payments must be within 5 days of presentation of the affidavit.
- B. In the event that Contractor defaults in the performance of any of the covenants or agreements to be kept, done or performed by it under the terms of the agreement, the City will notify the Contractor in writing of the nature of such default as provided for in Section IX. Within 15 days following such notice, the Contractor shall:
1. Correct the default, or
 2. In the case of a default not capable of being corrected within 15 days, Contractor shall commence correcting the default within 15 days of the City's notification thereof, and thereafter correct the default with diligence.
- C. If the Contractor fails to correct the default as provided above, the City, without further notice, shall have all of the following rights and remedies which the City can exercise singly or in combination:
1. The right to declare the Agreement together with all rights granted to the Contractor hereunder are terminated, effective upon such date as the City shall designate, as provided for in Section IX, Termination of Agreement, Rights on Termination;
 2. The right to rent or lease the equipment (containers and compactors) from the Contractor for the purpose of collecting, transporting and processing materials which the Contractor is obligated to collect, transport and process pursuant to the agreement, for a period not to exceed 18 months; in the case not owned by the Contractor, Contractor shall assign to the City, to the extent Contractor is permitted to do so under the instrument pursuant to which Contractor possesses such equipment, the right to possess the equipment. If the City exercises its rights under this section, the City shall pay the Contractor the reasonable rental value of the equipment;
 3. The right to license others to perform the services otherwise to be performed by the Contractor, or to perform such services itself;

4. The right to pursue a claim for damages in any Court with proper jurisdiction or seek any other relief permitted by law.
- D. Either the appointment of a receiver to take possession of all or substantially all of the assets of Contractor, or a general action taken by or suffered by the Contractor under any insolvency or bankruptcy act shall constitute a default of the agreement by Contractor.

XV. DISPUTE RESOLUTION PROCESS

The City and the Contractor agree to first use the following process to resolve disputes about issues related to the performance of this agreement. If an issue arises requiring resolution, either party shall initiate this dispute resolution process by notifying the other party and scheduling a meeting. The meeting shall serve as an opportunity to identify the issue, clarify the problem, review the applicable provisions of the contract documents relating to the issue, discuss alternative remedies, and agree upon a means of dispute resolution. The parties shall make a good faith effort to complete the agreed-upon tasks within 30 days of the initial dispute resolution meeting, or specify an alternative schedule and deadline for resolving the issue. This dispute resolution process shall be considered as one alternative to the City imposing liquidated damages or invoking other available remedies. Nothing in this section XV, Dispute Resolution Process, shall be construed or implied to reduce, eliminate or otherwise affect the rights of the City or the Contractor at any time to use any and all other legal remedies.

XVI. EXTENT OF AGREEMENT

This agreement represents the entire understanding between the City and the Contractor and it supersedes all prior representations or agreements whether written or oral. Neither party has relied on any prior representations in entering into this agreement.

This agreement may be altered, amended or modified only by written amendment signed by the Contractor and the City.

XVII. SEVERABILITY OF PROVISIONS

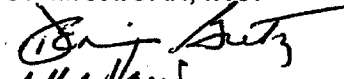
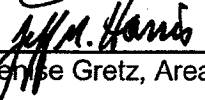
Whenever possible, each provision of this agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this agreement or the application of the provision to other parties or other circumstances.

XVIII. CHOICE OF LAW

This agreement shall be construed, governed, and enforced in accordance with the laws of the State of Michigan. By executing this agreement, the Contractor and the City agree to venue in a court of appropriate jurisdiction sitting within Washtenaw County for purposes of any action arising under this agreement.

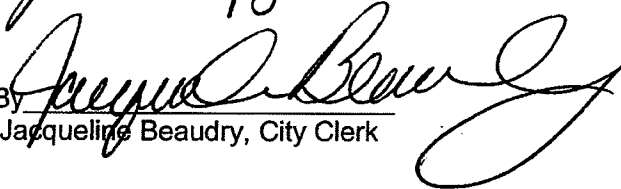
XIX. SIGNATURES

**FOR WASTE MANAGEMENT
OF MICHIGAN, INC.**

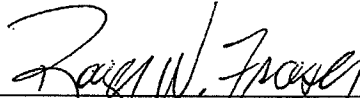
By 

Denise Gretz, Area Vice President

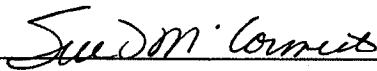
FOR THE CITY OF ANN ARBOR

By 
John Hieftje, Mayor

By 
Jacqueline Beaudry, City Clerk

Approved as to substance

By 
Roger W. Fraser, City Administrator

By 
Sue F. McCormick
Public Services Area Administrator

Approved as to form

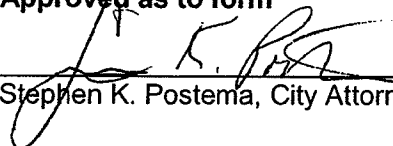

Stephen K. Postema, City Attorney

EXHIBIT A
FAIR EMPLOYMENT PRACTICE

The Contractor, its agents or sub-contractors, shall comply with all requirements of Chapter 112 of Title IX of the Code of the City of Ann Arbor and in particular the following excerpts therefrom:

9:161 NONDISCRIMINATION BY CITY CONTRACTORS

- (1) All contractors proposing to do business with the City of Ann Arbor shall satisfy the nondiscrimination administrative policy adopted by the City Administrator in accordance with the guidelines of this section. All contractors shall receive approval from the Director prior to entering into a contract with the City, unless specifically exempted by administrative policy. All City contractors shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex.
- (2) Each prospective contractor shall submit to the City data showing current total employment by occupational category, sex and minority group. If, after verifying this data, the Director concludes that it indicates total minority and female employment commensurate with their availability within the contractor's labor recruitment area, i.e., the area from which the Contractor can reasonably be expected to recruit, said contractor shall be accepted by the Director as having fulfilled affirmative action requirements for a period of one year at which time the Director shall conduct another review. Other contractors shall develop an affirmative action program in conjunction with the Director. Said program shall include specific goals and timetables for the hiring and promotion of minorities and females. Said goals shall reflect the availability of minorities and females within the Contractor's labor recruitment area. In the case of construction contractors, the Director shall use for employment verification the labor recruitment area of the Ann Arbor-Ypsilanti standard metropolitan statistical area. Construction contractors determined to be in compliance shall be accepted by the Director as having fulfilled affirmative action requirements for a period of six (6) months at which time the Director shall conduct another review.
- (3) In hiring for construction projects, contractors shall make good faith efforts to employ local persons, so as to enhance the local economy.
- (4) All contracts shall include provisions through which the Contractor agrees, in addition to any other applicable Federal or State labor laws:
 - (a) To set goals, in conference with the Human Resources Director, for each job category or division of the work force used in the completion of the City work;
 - (b) To provide periodic reports concerning the progress the Contractor has made in meeting the affirmative action goals it has agreed to;

- (c) To permit the Director access to all books, records and accounts pertaining to its employment practices for the purpose of determining compliance with the affirmative action requirements.
- (5) The Director shall monitor the compliance of each contractor with the nondiscrimination provisions of each contract. The Director shall develop procedures and regulations consistent with the administrative policy adopted by the City Administrator for notice and enforcement of non-compliance. Such procedures and regulations shall include a provision for the posting of contractors not in compliance.
- (6) All City contracts shall provide further that breach of the obligation not to discriminate shall be a material breach of the contract for which the City shall be entitled, at its option, to do any or all of the following:
 - (a) To cancel, terminate, or suspend the contract in whole or part and/or refuse to make any required periodic payments under the contract;
 - (b) Declare the Contractor ineligible for the award of any future contracts with the City for a specified length of time;
 - (c) To recover liquidated damages of a specified sum, said sum to be that percentage of the labor expenditure for the time period involved which would have accrued to minority group members had the affirmative action not been breached;
 - (d) Impose for each day of non-compliance, liquidated damages of a specified sum, based upon the following schedule:

<u>Contract Amount</u>	<u>Assessed Damages Per Day of Non-Compliance</u>
\$ 10,000 - 24,999	\$ 25.00
25,000 - 99,999	50.00
100,000 - 199,999	100.00
200,000 - 499,999	150.00
500,000 - 1,499,999	200.00
1,500,000 - 2,999,999	250.00
3,000,000 - 4,999,999	300.00
5,000,000 - and above	500.00

- (e) In addition the Contractor shall be liable for any costs or expenses incurred by the City of Ann Arbor in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under this contract.

**EXHIBIT B
LIVING WAGE ORDINANCE EXCERPTS**

The Contractor, its agents or sub-contractors, shall comply with all requirements of Chapter 23 of Title I of the Code of the City of Ann Arbor and in particular the following excerpts therefrom:

1:813. Definitions.

For purposes of this Chapter, the following definitions shall apply:

- (1) "Contractor/vendor" is a person or entity that has a contract with the City primarily for the furnishing of services where the total amount of the contract or contracts with the City exceeds \$10,000 for any 12-month period. "Contractor/vendor" does not include a person or entity that has a contract with the City primarily for the purchase of goods or property, or for the lease of goods or property to or from the City.
- (2) "Covered Employee" means a person employed by a covered employer to perform services which are covered or funded by the contract with or grant from the City; provided, however, that persons who are employed pursuant to federal, state or local laws relating to prevailing wages shall be exempt from this Chapter.
- (3) "Covered Employer" means a contractor/vendor or grantee that has not been granted an exemption from this Chapter pursuant to Section 1:817.
- (4) "Employee" means an individual who provides personal services performed for wages under any contract calling for the performance of personal services, whether written or oral, express or implied. The term "employee" does not include any individual who volunteers to perform services for an employer if
 - (a) The individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and
 - (b) Such services are not the same type of services which the individual is employed to perform for such employer.
- (5) "Employee Health Benefits" or "Health Benefits" means providing health care benefits for employees (or employees and their dependents) at employer cost or making an employer contribution toward the purchase of such health care benefits for employees (or employees and their dependents), provided that the employer cost or contribution equals no less than \$1 an hour for the average work week of such employee, and provided further that any employee payment or contribution toward health care shall not exceed 50 cents an hour for the average work week for such employee.
- (6) "Grant" means any form of financial assistance to a "Grantee" as set forth and defined in Section 1:813(7). "Grant" does not include financial assistance used for the purchase or lease of property or other non-personnel costs.

- (7) "Grantee" is a person or entity that is a recipient of any financial assistance from the City in the form of any federal, state or local grant program administered by the City, revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance that exceeds \$10,000 for any 12-month period, including any contractors, subcontractors, or leaseholders of the grantee whose contract, subcontract or lease with the grantee exceeds \$10,000 for any 12-month period.
- (8) "Living Wage" means a wage equal to the levels established in Section 1:815.
- (9) "Person" means any individual, copartnership, corporation, association, club, joint adventure, estate, trust, and any other group or combination acting as a unit, and the individuals constituting such group or unit.
- (10) "\$10,000 for any 12 month period" is computed by taking the total amount of the contract, grant or loan and dividing it by the number of months the contract, grant or loan covers.

1:814. Applicability.

- (1) This Chapter shall apply to any person that is a contractor/vendor or grantee as defined in Section 1:813 that employs or contracts with five (5) or more individuals; provided, however, that this Chapter shall not apply to a non-profit contractor/vendor or non-profit grantee unless it employs or contracts with ten (10) or more individuals.
- (2) This Chapter shall apply to any grant, contract, or subcontract or other form of financial assistance awarded to or entered into with a contractor/vendor or grantee after the effective date of this Chapter and to the extension or renewal after the effective date of this Chapter of any grant, contract, or subcontract or other form of financial assistance with a contractor/vendor or grantee.

1:815. Living Wages Required.

- (1) Every contractor/vendor or grantee, as defined in Section 1:813, shall pay its covered employees a living wage as established in this Section.
 - (a) For a covered employer that provides employee health care to its employees, the living wage shall be \$8.70 an hour, or the adjusted amount hereafter established under Section 1:815(3).
 - (b) For a covered employer that does not provide health care to its employees, the living wage shall be \$10.20 a hour, or the adjusted amount hereafter established under Section 1:815(3).
- (2) In order to qualify to pay the living wage rate for covered employers providing employee health care under subsection 1:815(1)(a), a covered employer shall furnish proof of said health care coverage and payment therefor to the City Administrator or his/her designee.

- (3) The amount of the living wage established in this Section shall be adjusted upward no later than April 30, 2002, and every year thereafter by a percentage equal to the percentage increase, if any, in the federal poverty guidelines as published by the United States Department of Health and Human Services for the years 2001 and 2002. Subsequent annual adjustments shall be based upon the percentage increase, if any, in the United States Department of Health and Human Services poverty guidelines when comparing the prior calendar year's poverty guidelines to the present calendar year's guidelines. The applicable percentage amount will be converted to an amount in cents by multiplying the existing wage under Section 1.815(1)(b) by said percentage, rounding upward to the next cent, and adding this amount of cents to the existing living wage levels established under Sections 1:815(1)(a) and 1:815(1)(b). Prior to April 1 of each calendar year, the City will notify any covered employer of this adjustment by posting a written notice in a prominent place in City Hall, and, in the case of a covered employer that has provided an address of record to the City, by a written letter to each such covered employer.

**EXHIBIT C
PROJECT DEFINITIONS**

- C-1. City Ordinance. Chapter 26, Solid Waste Management, of the City Code including amendments thereto during the term of this agreement, attached and incorporated herein at Exhibit F. If Chapter 26 is amended during the term of this agreement, Exhibit F will be replaced with the amended Chapter 26.
- C-2. City Provided Recycling Service. The recycling containers and collection services provided to residential and Commercial Locations by the City or its agents, contractors or licensees.
- C-3. Collection Services. Commercial Refuse Dumpster Collection Services and Commercial Refuse Roll-Off Collection Services.
- C-4. Commercial Locations. Any commercial, industrial and institutional buildings located within the City.
- C-5. Commercial Location Owner. The owner, as listed in City records, of a Commercial Location.
- C-6. Commercial Location Manager. A Person representing a Commercial Location Owner for a particular Commercial Location.
- C-7. Commercial Location Occupant. A person or organization occupying some or all of a Commercial Location.
- C-8. Commercial Service Recipient. The designated Commercial Location Owner, Commercial Location Manager or Commercial Location Occupant of a Commercial Service Unit that receives services pursuant to this Contract.
- C-9. Commercial Waste. The solid waste from Commercial Locations and all other activities and land use other than residential occupancy.
- C-10. Construction and Demolition Waste. Waste building material, packaging, and rubble that results from construction, remodeling, repair, and demolition operations on houses, commercial or industrial buildings, and other structures.
- C-11. Customer Service System. The computer-based system maintained by Contractor for service records, billing, reporting and other operations data for the Refuse Collection Program.
- C-12. Commercial Service Unit. Each refuse dumpster or roll-off location to be provided by Contractor under the Commercial Refuse Collection Program.
- C-13. Contractor's Operations Site. The Contractor's location in Whitmore Lake, MI where Contractor operations for this Contract are based at.
- C-14. Customer Set-up Packet. The packet of all informational materials to be sent by the Contractor to the Service Recipient for each Commercial Service Unit including the following:
 - a. Envelope, introductory letter and folder, jointly developed by the City and Contractor to City specifications with graphics/branding for the City's Commercial Refuse Services program.
 - b. Missed Pick-up Procedures

- c. Snap Shot Program
 - d. Recycling Service Request Procedures
 - e. Unit Pricing for Service Order Request
 - f. Unit Pricing for Additional Services
 - i. Extra Pickups
 - ii. Lockable Cans
 - iii. Lamp Tracker Service
 - iv. Others as listed in Exhibit E or as mutually agreed to
 - g. Refuse Change in Service Procedures
 - h. Sufficient Additional Packets for the Service Recipient to Distribute to Other Customer Locations using that particular Commercial Service Unit (if applicable).
 - i. Other Setup Packet Information as Required
- C-15. Designated Facility. The City owned Transfer Station site or other sites selected by the City to receive the materials that the Contractor must collect.
- C-16. Downtown Development Authority District (DDA). The Downtown Development Authority as described in City of Ann Arbor Municipal Code Section 1:154.
- C-17. Dumpster. A metal or plastic container in sizes from front loading type 2, 4, 6 and 8 cubic yards, equipped with fixtures that allow the container to be dumped by a rear-loading or front-loading refuse or recycling truck.
- C-18. Franchisee or Franchised Hauler. Arrangements the City has made through this Contract to have the City and an exclusive service provider selected by the City perform refuse collection services that are structured to support the City's recycling and environmental goals as required to protect the public health, safety and welfare, as provided for in the solid waste regulations.
- C-19. Front Load Commercial Service. Services provided with dumpster sizes 2, 4, 6 and 8 cubic yards with side sleeves to be serviced by Contractor's commercial rubbish vehicle with forks and front load service capabilities.
- C-20. Garbage. All putrescible food wastes such as animal, fish, fowl, fruit or vegetable matter incident to the use, preparation and storage of food for human consumption. It also includes paper or containers containing these wastes except as excluded by solid waste regulations. It does not include prohibited materials specified in section 2:5 or in the solid waste regulations.
- C-21. Hazardous Material. Hazardous waste, medical waste, radioactive material, explosives and other material listed in Michigan Public Act 641 or in the solid waste regulations.
- C-22. Hazardous Waste. Solvents, pesticides, flammables, oil paints, and other substances listed in Michigan Public Act 641, or Public Act 64 or in the solid waste regulations.
- C-23. Household Waste. The solid waste discarded at residential dwellings, including single- and multi-family units.
- C-24. Licensee or Licensed Hauler. Contractual arrangements the City has made with refuse haulers servicing those Commercial Locations granted Exemptions under

Chapter 26, Section 2:9 Variances, to perform refuse collection services that are structured to support the City's health, environmental and recycling goals to protect the public health, safety and welfare, as provided for in the solid waste regulations.

- C-25. Missed Collection. Contractor failure to collect MSW set out by the Service Recipient for collection by Contractor pursuant to this Contract.
- C-26. Mixed Use Dwelling. A building or structure which contains both Commercial Service Units and Residential Dwelling Unit(s).
- C-27. Monthly Service Fee. The charge per month for Refuse Collection Services that are being provided to a Commercial Service Unit, including Container Rental, that the Contractor will include in their invoice to the City.
- C-28. National or Regional Refuse Collection Contract. An arrangement for refuse collection services at a Commercial Location made by a controlling entity of the Commercial Location Owner located outside of the City that requires that Commercial Location to use a refuse hauler provided by the controlling entity and thus prevents the Commercial Location Owner from using the refuse collection services provided by the City.
- C-29. Prohibited Materials. All items which may damage equipment or pose a safety threat to collectors or the environment, all items listed in section 2:6 or items defined as prohibited in the solid waste regulations. These materials will not be collected by the City.
- C-30. Recyclables. All containers, paper, cardboard, and other materials specifically designated as recyclable by the solid waste regulations.
- C-31. Refuse. All rubbish and garbage which is not deemed recyclable or compostable as defined in this chapter or by the Solid Waste Regulations. It does not include hazardous material or other prohibited materials.
- C-32. Roll-off. A metal container in sizes of 10, 20, 30 and 40 cubic yards, equipped with fixtures that allow the container to be dumped by a hook lift or cable lift roll-off truck.
- C-33. Rubbish. Miscellaneous nonputrescible waste material resulting from housekeeping and ordinary mercantile enterprises, including paper, cardboard, metal containers, crockery, plastic, rubber, building materials, and bulk items. It does not include hazardous waste or other prohibited materials.
- C-34. Service Order Request. The details of the City's request for services for a specific Commercial Service Unit including requested day of service (if applicable), transmitted to the Contractor for inclusion in the Contractor's Service Order Schedule.
- C-35. Service Order Request Form. The format for the Service Order Request, a change in service or cancellation of service, in a form agreed to by both parties, to be used to transmit the property information to Contractor through email to MichiganMunicipalService@wm.com.
- C-36. Service Order Schedule. The details of the Contractor's schedule of services including all Commercial Service Unit information as well as the selected collection route day(s) based on the Contractor's existing routes.
- C-37. Service Recipient. The primary Customer Location contact person for each Commercial Service Unit.

- C-38. Solid Waste. Refuse, rubbish, recyclables, and compostables discarded by residents and commercial establishments and which qualifies for removal by the City of Ann Arbor. It does not include hazardous material or other prohibited materials. Solid waste includes construction and demolition waste only in quantities making less than 10% of the load and able to be disposed of in containers provided for removal by the City of Ann Arbor.
- C-39. Solid Waste Containers. Any containers approved by the solid waste regulations for deposit of solid waste, including containers for refuse, recyclables or compostables.
- C-40. Surplus Recyclables. Material that exceeds the capacity of or otherwise does not fit in a dumpster that consists primarily of recyclables.
- C-41. Surplus Refuse. Refuse that exceeds the capacity of or otherwise does not fit in a dumpster.
- C-42. Transfer Station. City's MRF located at 4160 Platt Road, south of Ellsworth, Ann Arbor, Michigan, or such other facility that is approved in advance by the City that is designed, operated, and legally permitted for the purpose of transferring municipal solid waste.

EXHIBIT D
PERFORMANCE SPECIFICATIONS

D-1. General Specifications:

- a. Scope of Work: The Contractor shall acquire at its own cost and expense all necessary labor, materials, machinery, equipment, rolling stock, fuel, tires, tools, spare parts, insurance, bonds and other equipment necessary or appropriate for performing Commercial Refuse Collection services for the City of Ann Arbor. Contractor will begin the requested service for collection on July 1, 2009.
- b. Waste Delivery: Contractor shall deliver all Refuse only to the City Transfer Station or to another City Designated Facility selected by the City at the City's sole discretion. The facility is located at the City of Ann Arbor Resource Recovery Center, 4160 Platt Rd, Ann Arbor, MI. This facility will be available six (6) days per week to receive refuse collected as part of this program. The hours will be Monday – Saturday 7am – 4pm. Refuse collected on Sunday will need to be stored in leak proof collection vehicles for drop-off in the morning on the following business day. At the City's sole option and discretion, should the City Transfer Station not be available as determined by the City, the City may choose to select the Contractor's Woodland Meadow's landfill as a temporary City Designated Facility and the Contractor agrees to haul solid waste directly to Woodland Meadows for an additional charge of \$22.00 per ton, plus a fuel surcharge as provided for in this agreement. Should the City elect this option, the Contractor shall provide the City with weekly reports and invoices for such solid waste. This arrangement shall continue until the City chooses to identify another site as its City Designated Facility for purposes of this Agreement.
- c. Charges for Waste Delivery: The City will not charge the Contractor for Refuse delivered to the City Transfer Station as part of this program. The City will be charging commercial accounts separately for that refuse as part of the City's billing system. The City will work with the Contractor to implement truck tracking systems to verify that refuse from outside the scope of the Contracted Services is not being delivered as part of this program.
- d. Title to Refuse: Title to all refuse shall pass to the Contractor when placed in the Contractor's collection vehicle, removed by the Contractor from a cart or container, or removed by Contractor from a customer's premises, whichever first occurs. The Contractor shall retain title to all refuse until delivered to and accepted at the City Transfer Station. Upon acceptance of the refuse at that facility, title to that refuse shall transfer to the City and/or its Contracted agent at no additional cost. Any loads rejected by the City shall remain the full responsibility of the Contractor
- e. Contractor Responsibility for Conditions of Work: The Contractor is responsible for making its own independent investigation into the conditions of the work, regarding the provisions of collection services and shall determine to Contractor's satisfaction the conditions to be encountered, the nature of the work and all other factors affecting the work under this agreement.

- f. Permits: The Contractor is responsible for obtaining and being responsible for any and all federal, state, county or local permits as are required to satisfy building, health and environmental statutes and rules and ordinances as may pertain to the selection, installation and/or operation of mobile or fixed equipment.
- g. Employee Qualification, Payment and Accident Prevention: All persons employed by the Contractor shall be competent, skilled and qualified in the performance of the work to which they are assigned. All personnel shall maintain a courteous and respectful attitude towards the public at all times.
- i. The Contractor is responsible, for payment to its employees in accordance with all local, state and federal requirements. The City will be held harmless and indemnified from any claims whatsoever arising out of any non-payment dispute or issue.
 - ii. Precaution shall be exercised at all times for the protection of persons, including employees and property and hazardous conditions shall be guarded against or eliminated.
 - iii. The Contractor shall employ only competent and trustworthy workers, including reliable drivers and route supervisors. Contractor will be solely responsible for any traffic tickets incurred by Contractor's drivers. Should the City at any time give notice to the Contractor that the work or behavior on the job of Contractor's employee is insolent, disorderly, careless, unobservant, dishonest, not in compliance with proper order or in any way a detriment to the satisfactory progress of the work, such employee shall forthwith be removed from any and all work associated with this agreement.
- h. General Services Standards: Contractor is to perform all work as provided for in this agreement and deliver all trash to facilities identified in this document. The work to be done by Contractor shall include the furnishing of all labor, supervision, equipment, materials, supplies, insurance, letters of credit and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated or not. The work to be done by Contractor shall be accomplished in a thorough and professional manner so that the residents of the City are provided reliable, safe, courteous and high-quality collection services at all times.
- The Contractor shall provide complete service for all routes within the Designated Service Area each day as scheduled. Contractor shall develop routes that specify the order in which accounts receive service on each collection day. Any change in routes will be communicated individually and in advance to Service Units after review and approval by the City. All collections shall be made as quietly as possible. Unnecessarily noisy trucks or equipment are prohibited. Contractor shall empty all vehicles of materials collected on the same day of collection.
- i. Care of Public and Private Property: City shall refer complains about damage to private or public property to Contractor. Contractor shall pay

for or repair all damage to public and private property caused by its employees.

- ii. Litter Abatement: Contractor shall use due care to prevent materials from being spilled or scattered during the collection process. If materials of any kinds are spilled during collection/transportation, the Contractor shall promptly clean-up all spilled materials. Each vehicle shall carry all necessary equipment at all times for this purpose. The Contractor shall not be responsible for servicing overloaded containers that may cause spillage. If a container is overloaded and deemed to be not serviceable, the Contractor shall immediately notify the City through its Snap-Shot program and handle the situation as provided for in subsection d of Section D.4 Customer Service System.
- iii. Storms and Other Disasters: In case of a storm or other disaster, City may grant the Contractor reasonable variances from regular schedules and routes. As soon as practicable after such storm or disaster, the Contractor shall advise City of the estimate time required before regular schedules and routes can be resumed. Any additional waste material (e.g., Demolition debris) generated as a result of storm damage or other disaster shall not be placed in the commercial front load container. This additional material will require roll-off services not covered under this agreement or a special collection at additional cost as provided for in this agreement.
- iv. Noise: All collection and transport equipment operations shall be conducted as quietly as practical and shall conform to applicable federal, State, County and respective local noise level regulations.
- v. Infrastructure Renovation and Service Disruption: Periodically, major renovation is necessary to maintain the infrastructure of the City. This includes such activities as replacing, gas, water and sewer lines, surfacing or resurfacing streets and replacing wiring for telephone, electricity or cable telephone. In the case of non-emergency work, the City will undertake to notify the Contractor in advance of the activities. The Contract Administrator and the Contractor will agree on alternate services, if required during this period of disruption and shall agree on additional fees, if any, for such alternate services. Additional fees shall be payable only with prior written approval from the Contract Administrator.
- i. Contractor's Vehicle and Equipment Standards: Contractor shall be responsible for providing a fleet of collection vehicles and equipment of such type and in such quantity and capacity to efficiently fulfill its obligations under this agreement. The Contractor shall also be responsible for the operation, maintenance, fuel, tires, insurance, bonds, traffic tickets and repair of all such vehicles and equipment in a manner sufficient to ensure that such vehicles and equipment are capable of providing all of the required services as set forth in this agreement. Contractor shall have available on collection days sufficient back-up vehicles for each type of collection vehicles used to respond to complaints and emergencies. The Contractor shall be directly responsible for any moving violations associated with their equipment, issued by any jurisdiction or entity with authority to do so.

- i. D.O.T. Standards: Vehicles shall be maintained to State of Michigan D.O.T. standards. City shall inspect all vehicles to be used in servicing this agreement before services commence and each year of the agreement. The City shall notify Contractor of the failure of any vehicle to meet a requirement of the inspection.
- ii. Specifications: All vehicles used by Contractor in providing collection of materials under the agreement shall be designed to prevent leakage, spillage or overflow. All such vehicles shall comply with U.S. Environmental Protection Agency noise emission regulations and other applicable noise control regulations. Contractor shall also ensure that gross vehicle weight of all vehicles, even when loaded, does not exceed vehicle license limitations to protect the highways and roads of the City.
- iii. Vehicle Identification: Contractor's name, local telephone number and a unique vehicle identification number designed by Contractor for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than two and one-half (2 ½) inches high.
- iv. Equipment Inventory: In addition to the above requested information, Contractor shall furnish City a written inventory of all vehicles used in providing service, and shall update the inventory when changes are made or annually, whichever is more frequent. The inventory shall list all vehicles by manufacturer, ID number, year of vehicle, type and capacity.
- v. Cleaning and Maintenance: Contractor shall maintain all of its properties, facilities and equipment used in providing service under the agreement in a safe, neat, clean and operable condition at all times. Vehicles used in the collection of materials under the agreement shall be thoroughly washed on a regular basis so as to present a clean appearance.
- vi. Vehicle Inspection: The City may inspect vehicles at any time to determine compliance with these requirements. All equipment and facilities used by the Collection Contractor shall be subject to inspection for sanitation, safety and appearance and subject to approval or rejection by the Contract Administrator at anytime. Unsafe equipment may be immediately ordered off the road by the Contract Administrator. Inspected equipment deemed unsanitary or whose appearance does not meet city specifications must be replaced or placed in a proper condition by the Collection Contractor as soon as is reasonably possible or within 3 working days, whichever is less.
- vii. Vehicle Maintenance: Contractor shall inspect each vehicle and complete a report daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to the City upon request.
- viii. Vehicle Repair and Replacement: Contractor shall repair or replace all of its vehicles and equipment for which repairs are needed because of accident breakdown or any other cause so as to maintain all equipment in

a safe and operable condition. Contractor shall maintain accurate records of repair, which shall include the date/mileage and nature of repair.

- ix. Vehicle Storage: Contractor shall arrange to store all vehicles and other equipment in safe and secure locations(s), where applicable, in accordance with applicable laws and ordinances.
- x. On-Board Computers: Each vehicle will be equipped with On Board Computer technology that will record and track each service stop performed by the vehicle. The Contractor agrees to give the City full access to this data. The Contractor will provide the City with a copy of the daily route sheet or daily service order schedule and corresponding actual service record as applicable with this on-board computer system. If the Contractor fails to provide route collection information as described, and a vehicle drops off waste at the City's Designated Facility, the City reserves the right to classify the load as a non-city load and thus potentially subject to additional charges as merchant waste and not qualifying as reimbursable services under this agreement.
- xi. Bio-fuels: In adhering to the City Green Energy Challenge, each vehicle used to service customers as part of this program must adhere to the following schedule of bio-fuels (or alternative technology that the Contractor may propose). The percentage of bio-fuels used in each vehicle will be calculated annually:

(total gallons of pure bio-fuel used) / (total gallons of fuel used)

- Year 1: 10% bio-fuels
- Year 2: 15% bio-fuels
- Year 3 and any subsequent years: 20% bio-fuels

For blends, pure bio-fuel will be calculated by multiplying the total number of gallons by the percent bio-fuel. For example 100 gallons of B10 is equal to 10 gallons of pure bio-fuel.

- xii. Alternative Fuels Feasibility Study and Alternative Fuels Plan: Contractor shall complete, no later than October 1, 2011, an Alternative Fuels Feasibility Study for conversion of Contractor vehicles servicing this agreement to alternative fuels. The Study shall include recommendations covering implementation of an Alternative Fuels Plan including both pilot phases and full implementation phases and include presentation, no later than November 1, 2011 of the results to the City regarding the Alternative Fuels Plan recommendations. The costs for the Alternative Fuels Feasibility Study and Alternative Fuels Plan shall be covered by the Contractor at no additional cost to the City. The Study must address compressed natural gas (CNG) options as well as hybrid and bio-diesel.
- j. Contractor's Personnel Standards: Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical and other personnel as may be necessary to provide the services required in a safe, economical and efficient manner.

- i. Driver Qualifications: All drivers shall be trained and qualified in the operation of waste collection vehicles and must have in effect a valid Commercial Drivers License of the appropriate class, issued by the Michigan Department of Automotive Regulation.
- ii. Driver Training: Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of materials under this Contractor. Contractor shall train its employees in trash, recyclables and yard waste collection protocol to identify and not collection hazardous waste or other prohibited wastes. Training shall include customer relations communication skills to assure quality interactions with City residents in the performance of Contract Services.
- iii. Driver Ethics: Contractor shall not, nor shall it permit its employees to, demand, solicit or accept, directly or indirectly, any additional compensation or gratuity from members of the public for services provided under the agreement.
- iv. Driver Appearance and Behavior: Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in customer courtesy and prohibit the use of loud or profane language and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by the agreement, contractor shall take all appropriate corrective measure.
- v. Field Supervisors: Contractor shall designate qualified employees as supervisors of field operations. Supervisors will be in the field inspecting Contractor's work and will be available by radio or phone during the Contractor's hours of operation to handle calls and complaints from the City or to follow up on problems and inspect Contractor's operations.
- vi. Driver Uniforms: Employees shall wear protective equipment at all times including shirts with company logo and have company identification available on request.
- vii. Driver Training in the City's Program: Contractor will train its employees as to the collection rules and regulations of the City's Program being serviced under this agreement. Contractor employees will leave notices of improper set-out when applicable.

D-2. **Basic Service Specifications**: Contractor shall maintain a high level of commercial refuse collection services. Contract waste shall be collected from containers provided by the Contractor. The Contractor shall collect and transport all commercial refuse which the generator may desire to have removed and for which the City has authorized the Contractor to so collect and transport for the price herein.

- a. Commercial Refuse Collection: The Contractor will be responsible for all equipment and personnel related to the collection of waste from containers managed under the City's commercial refuse program. This includes opening and closing dumpster enclosure gates, moving dumpsters to a position that can be accessed by the truck's automated lifting capabilities, cleaning up any trash that spills as a result of the dumping process, documenting trash that

was outside of the container at the time of pickup (either with photo or driver notes), and other tasks associated with the collection of the waste. Contractor shall not mix in any load the refuse it collects under this agreement and any other refuse or solid waste.

- b. Time of Collection: Refuse must be collected after 6am in the downtown area, and after 7am in other areas of the City, and no later than 10 pm, as required by city ordinance.
- c. Routing and Service Order Schedule Request: The Contractor will be responsible for routing their trucks, based on the Service Order Schedule Request provided by the City. The Collection Contractor will not pick up waste from any Commercial Location that is not on the City's Requested Service Order Schedule. If a Commercial Location is located within the City limits and is not on the City's list, the Contractor must notify the City.
- d. Contractor's Existing Customers at Time of Contract Execution: Within 10 days of Contract Execution, the Contractor will provide to the City an electronic Excel list of the Contractor's customers within the City of Ann Arbor City Limits. The list shall include the business name, address, telephone number, contact name and service level, the contract expiration date for the current term of the contract exclusive of any renewals, automatic or otherwise, and the date that the Contractor's customer will either be converted to the Contractors Service Order Schedule or Certified as Exempt (due to National or Regional Refuse Collection Contract) under the Provisions of the City Ordinance. Contractor shall collect and dispose of the refuse of its customers that are granted an exemption under Section 2:9 separately from the refuse Contractor collects under this agreement. Contractor shall not mix in any load the refuse of its exempt customers and the refuse collected under this agreement.
- e. Contract Startup: The Contractor and the City shall work together to convert Commercial Locations into Commercial Service Units for Commercial Refuse Collection as provided for in the City Ordinance. A Contractor's Start-up Plan, to be incorporated herein as Attachment D-1 to Exhibit D, will be developed by the Contractor addressing all relevant service requirements and issues to the City's satisfaction and provided to the City in final form no later than April 30, 2009. The Startup Plan provided by the Contractor shall contain the following information at a minimum:
 - i. The Service Order Schedule for all current Commercial Locations serviced by the City to be transferred to the Contractor based on Service Order Requests provided by the City no later than March 31, 2009.
 - ii. The Service Order Schedule for all current Commercial Locations serviced by other haulers to be transferred to the Contractor based on Service Order Requests provided by the City no later than April 15, 2009.
 - iii. The Service Order Schedule for all Commercial Locations serviced by the Contractor based on Service Order Requests provided by the City no later than April 15, 2009.
 - iv. Recycling Service Order Requests from the Contractor for all recycling services provided by Contractor to Commercial Locations within the City.

- v. The Phasing in of all the above services over a period of time not to exceed four months (July 1, 2009 to November 1, 2009).
 - vi. A sample Customer Set-up Packet, based on specifications provided by the City
 - vii. A sample Dumpster Labeling, based on specifications provided by the City.
- f. **Notification of Commercial Locations:** The City and Contractor shall develop a letter that the City shall mail at its own expense to each Commercial Location no later than 45 days after Contract Execution and as needed throughout the Contract as new Commercial Locations become eligible for the Commercial Refuse Services, which shall include:
- i. Introduction to the new program and services;
 - ii. Application or on-line URL for the Commercial Location to use to process a Service Order Request for Commercial Refuse Services (or an application for Exemption as provided for by City Ordinance) and transmit to the City all relevant details including the current collection service information (dumpster size and type, service frequency, dumpster ownership, hauler name, contract expiration date (if applicable) and related information determined to be necessary by the City.
 - iii. Notification that the Commercial Location will be converted to Commercial Refuse Services under this agreement unless an Exemption is secured.
 - iv. Notification that any Commercial Location with a service agreement for commercial refuse services as of January 31, 2009 with a Licensed Hauler will not be eligible for conversion to Commercial Refuse Services until the expiration or termination of the current term of that agreement or June 30, 2011, whichever comes first, provided that if the service agreement was signed after January 31, 2009, the Commercial Location will not be eligible for conversion to Commercial Refuse Services until the expiration or termination of the current term of that agreement or June 30, 2009, whichever comes first.

The City will follow procedures as detailed in Attachment D-2 to this Exhibit D, City Procedures for Contacting Commercial Locations with Existing Hauler Contracts as of January 31, 2009, to inform Commercial Locations as provided for in this subsection f, Notification of Commercial Locations, and to evaluate whether and until when a Commercial Location is ineligible for conversion to Commercial Refuse Service, as outlined in subsection f. iv above.

- g. **Service Order Request:** Once the Commercial Location has made arrangements with the City to process a Service Order Request, the City shall notify the Contractor. The Service Order Request for each Commercial Service Unit provided by the City will be transmitted to the Contractor via email using the Service Order Request Form, which shall contain, at a minimum, the following information:
- i. Commercial Service Unit Start Date (preferably the 1st of the Month)
 - ii. Requested address & location for Dumpster
 - iii. Commercial Location(s) assigned to Commercial Service Unit

- iv. Dumpster identification number (if applicable)
 - v. Requested Dumpster size
 - vi. Required frequency
 - vii. Requested day(s) of service (if any)
 - viii. Authorized Commercial Location contact for the Commercial Service Unit
- h. Service Change or Cancellation Request: When a new Commercial Service Unit requests a service change or a service cancellation through the City, the Service Change or Cancellation Request will be transmitted to the Contractor via email using the Service Order Request Form.
 - i. Contractor's Service Order Schedule: Within 24 clock hours of receipt of a Service Order Request or Service Change Request, the Contractor will send the City an updated Service Order Schedule with the selected collection route day(s) based on the Contractor's existing routes. The City will then notify the new Commercial Service Unit of their collection day and the date of service initiation. The Contractor will then send the Customer Set Up Packet to the relevant Commercial Locations for each Commercial Service Unit. Once the Commercial Locations for the Commercial Service Unit has been notified of their collection days, the Contractor cannot change the day of collection without written permission from the City and notification of the Commercial Service Unit.
 - j. City's Customer Service Department Role in Service Order Requests: All Commercial Service Unit Service Order Requests and Service Change Requests will be directed to the City Customer Service Department and not handled by the Collection Contractor.
 - k. All Other Requests: All other service related requests (e.g. missed pickups and other service performance issues) as well as one-time Additional Pickup Requests will be directed to the Contractor via the Customer Service System and any that are received by the City will be transmitted immediately to the Contractor in the form of electronic work orders. All requests must be resolved within 24 clock hours.
- D-3. **Dumpster and Roll-off Rental:** To ensure quality service, Contractor shall provide all Dumpster and Roll-off containers required for service included in the Monthly Service Fee as outlined in Fee Structure in Exhibit E and not as a separate cost item.
- a. Container Type: The container type (size of dumpster or roll-off – un-compacted or compacted) shall be determined by the City as part of the Service Order Request and confirmed by the Contractor with the final Service Order Schedule.
 - b. Container Specifications: The Contractor shall furnish containers that meet at a minimum the standards for dumpsters, roll-offs and compacting units (See Attachment B), with any additional features required (e.g. for more complex compacting unit installations) determined by negotiation. Details of all compactor installations must be approved by the City's Contract Administrator or Designee before an order is executed.
 - c. Privately Labeled Containers: All Contractor Dumpsters and Permanent Roll-offs shall be privately labeled using graphics provided by the City with branding for the City's refuse collection and clean city programs as well as all required safety and instructional labeling. All graphics shall be applied to

deployed dumpsters and roll-offs no later than 30 days after provision of the graphics by the City. Application of the graphics shall follow a layout specified by the City.

- d. Existing Containers and Transition Period: The City will be responsible for working with Commercial Locations currently serviced by the City that will be transferred to the Contractor to remove any existing Containers at those Commercial Locations.
- e. Container Delivery for New Commercial Service Units: The Contractor will be responsible to deliver Dumpsters and Roll-offs within five (5) business days of the Service Order Request. Contractor shall inform City and the Commercial Service Unit if the Dumpster or Roll-off delivery will be missed. Container Deliveries for New Commercial Service Units are covered under the Fee Structure outlined in Exhibit E.
- f. Container Repairs: The Contractor will be responsible for all costs to fabricate, distribute, maintain, repair and replace Contractor's Dumpsters and Roll-offs as provided for in this Agreement. If repairs required to Contractor's Dumpster or Roll-off are required due to normal wear and tear or Contractor damage or damage that is covered under Contractor's insurance coverage then repairs are at no charge and are included in the Monthly Service Fee and not as a separate cost item. If repairs required to Contractor's Dumpster or Roll-off are required due to damage that is caused by the Commercial Location(s) for that Commercial Service Unit then repairs that are authorized by the City shall be covered under the Fee Structure outline in Exhibit E, Contractor's Compensation.
- g. Container Replacement. Within five (5) business days of notification, the Contractor shall provide replacement Dumpsters or Roll-offs to replace Contractor's Dumpster or Roll-off that are damaged or destroyed. If replacement required for Contractor's Dumpsters or Roll-offs are due to normal wear and tear or Contractor damage or damage that is covered under Contractor's insurance coverage then replacement is provided at no charge and is included in the Monthly Service Fee and not as a separate cost item. If replacement required for Contractor's Dumpster or Roll-off are due to damage that is caused by the Commercial Location(s) for that Commercial Service Unit then replacements that are authorized by the City shall be covered under the Fee Structure outlined in Exhibit E, Contractor's Compensation.
- h. Contractor Initiated Container Swaps. Any Contractor initiated container swaps such as Driver Identified Swaps (DIS) when driver identifies a non-emergency problem with the dumpster or roll-off like missing lids, graffiti, etc. or Emergency Swaps (EMS) when the container could potentially damage equipment or property if it is continued to be used (e.g. broken sleeves, rusted out bottoms, etc.) will be completed at no additional cost to the City within ten (10) business days of notification to the City.
- i. Container Switch-outs Due to Requests for Changes in Size. Within five (5) business days of notification, the Contractor shall provide requested switch-outs of Dumpsters or Roll-offs due to changes in size. Container switch-outs that are authorized by the City may be charged to the City under the Fee Structure outline in Exhibit E, Contractor's Compensation.

- j. Container Removals. Within five (5) business days of notification, the Contractor shall provide requested removals of Dumpsters or Roll-offs. Container removals that are authorized by the City may be charged to the City under the Fee Structure outline in Exhibit E, Contractor's Compensation.

D-4. **Customer Service System**: To achieve excellence in customer service, City and Contractor will work together on all aspects of customer management, communications, education/outreach and complaint processing.

- a. Basic Superintendence and Collection Route Management: As a basic level of service to the City, Contractor shall give personal superintendence to the work or have a competent Supervisor available at all times with authority to act for Contractor. Contractor's supervisory personnel shall be available via mobile cellular Phones.
- b. City's Customer Service Call Center: The City shall maintain a Customer Service Call Center with the City's designated Customer Service Phone line and number for the Commercial Refuse Collection program, the phone number for which shall be the sole program phone number used on all communications for the Commercial Refuse Collection program. The City's Call Center will service the designated Customer Service Phone line for at least the hours of 8:00 am to 5:00 pm Monday through Friday. An automated phone system will be provided to allow the Customer to select the Contractor's phone line for specific Contractor direct communications as provided for herein:
 - i. Commercial Refuse Collection Calls Handled by the City: The City shall accept and directly handle all calls from Commercial Locations related to new service requests, changes in service, service cancellations or any activity resulting in a price change to the Commercial Service Unit or the Commercial Location(s) using that Commercial Service Unit.
 - ii. Contractor Service Order Requests: The City shall complete all information required on the Service Order Requests and email to the Contractor for proper action (delivery, change in service, cancellation and removal of containers).
 - iii. Commercial Refuse Collection Calls directed to Contractor: The City will direct all service inquiries and complaints to Contractor through the City's Customer Service System including missed collections, service complaints, same day additional pickups and related services.
- c. Contractor's Customer Service Call Center: Contractor shall maintain, at no additional cost to the City or its Commercial Service Units, a Customer Service Call Center with a local telephone calling provision. Contractor's telephone number for complaints, missed pickups and other requests shall be linked via automated call transfer to the City's designated Customer Service Phone line. The office phone shall be well-attended for at least the hours of 8:00 am to 5:00 pm on all days when service is provided by the Contractor. An automated phone system is required after hours. The Call Center must be linked with the Contractor's dispatch functions for seamless route superintendence and collection route management for the duration of the agreement as follows:

- i. Office Staffing: The Contractor will maintain a customer service office where inquiries and complaints can be received. The office will be open during the normal business hours of 8:00 am to 5:00 pm on all business days. Contractor will ensure that responsible persons are in charge of the office during collection hours, and are available to receive inquiries and complaints during normal business hours.
- ii. Electronic Activity Log: All complaints and non-Service Order Request inquiries will be directed by the City to the Contractor's Customer Service Center either through automated phone call transfer and/or direct referral from the City's Customer Service Center. Electronic logs will be maintained by the Contractor and provided to the City daily, including date and time complaint/inquiry received, name, address and phone/email contact information of complainant, nature of complaint/inquiry, date and time complaint resolved and description of how complaint was resolved. Resolution of all complaints and inquiries shall be completed within 24 hours with notice of such to the City.
- iii. Telephone Information System: The Contractor will maintain a customer service telephone information system with sufficient capability to handle phone inquiries for information on all collection services, the scheduled days of service, the materials that can be recycled and the procedure for reporting a missed pickup. The Contractor will provide with a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when Contractor's office is closed.
- iv. Service Recipient Calls: The City will direct all service inquiries and complaints to Contractor through the City's customer service system. Contractor shall record all calls including any inquiries, service requests and complaints into the customer service system. Contractor will open either a NOT (note to driver), CPL (complaint), UNR (unresolved) ticket. These will be printed to the Contractor's Operations Site by Contractor Dispatch. The Contractor will follow through with the Customer, note the resolution on the account and close the ticket within the Contractor's System as follows: Contractor's customer service representatives shall return Service Recipient calls as provided herein. For all messages left before 3:00 pm, Contractor shall attempt all "call backs" at least one time prior to 5:00 pm on the day of the call. For message left after 3:00 pm, contractor shall attempt all "call backs" at least one time prior to noon the next business day. Contractor shall make minimum of three attempts within twenty-four hours of the receipt of the call. If contractor is unable to reach the Service Recipient on the next business day, Contractor shall send a postcard to the Service Recipient on the second business day after the call was received, indicating that Contractor has attempted to return the call. All attempts to contact the caller shall be recorded in the customer service system.
- v. Service Complaints: The Contractor will handle all service complaints in a prompt and efficient manner. In the case of a dispute between Contractor and a Service Recipient, Contractor will refer the matter to the City for review. The City will review the matter and make a determination as to the resolution of the dispute.

- vi. Blocked Dumpster: In case of a dumpster that is blocked preventing Contractor service, the Contractor's driver will call in to Contractor's Dispatch while at the site to give description of problem. Contractor's Dispatch will call the Service Recipient and opens a HOC (haul or call) ticket. The ticket is noted with the car type, color, etc. If this is called in prior to regular business hours, the driver will move on. If during regular business hours, Dispatch will call the Service Recipient and attempt to resolve right then. If this cannot be resolved, a COU (courtesy) ticket is opened for the following day. In the event that a stop has more than one HOC ticket in 90-days, a RPD (repeat driver identified problem) is opened and printed at the site for the Route Manager. It is up to the Route Manager to contact the City and the Service Recipient and attempt to resolve the ongoing issues with the Service Recipient.
- vii. Extra Pickup Requests: When the Service Recipient for a Commercial Service Unit contacts Contractor for an emergency or one-time Extra Pickup request (XPU), the Contractor will open an XPU ticket. The Contractor will verify that the XPU request is being made by the authorized representative (Service Recipient) for that Commercial Service Unit as listed on each account. The Contractor will quote to the Service Recipient the rate for an XPU as provided for in Exhibit E, Contractor's Compensation, before the XPU is scheduled. Once authorized by the Service Recipient the Contractor will schedule and Contractor's Dispatch will call the XPU to the driver or schedule for the appropriate day. The Contractor will print the XPU ticket to the site by Dispatch and the driver will sign-off on that ticket when the XPU is completed and will also call Dispatch when the XPU is complete so Dispatch can note on their Contractor's system. All XPUs will then be detailed in the Contractor's monthly invoice as provided for in Exhibit E, Contractor's Compensation.
- viii. Missed Collections: Any calls to the Contractor's Customer Service Center for missed pickups will result in Contractor opening an MPU ticket. Contractor's Dispatch will call the MPU out to the driver to recovery. For those complaints related to missed collections that are received by 2:00 pm on a business day, the Contractor will return to the Service Unit address and collect the missed materials before leaving the Service District for the day. For those complaints related to missed collections that are received after 2:00 pm on a business day, the Contractor will have until noon of the following business day to collect the refuse. At the end of each business day the Contractor will utilize the customer service system to provide the City with a response to each complaint which was received from a Service Recipient or the City in the event the complaint was made by the City during the preceding business day.
- ix. Repeated Missed Collections: Contractor acknowledges and agrees that it is in the best interest of the City that all refuse be collected on the scheduled collection day. However, in the event Contractor believes any complaint to be without merit (i.e. improper preparation), Contractor shall utilize the customer service system to notify the City. The City will investigate all disputed complaints and render a determination.
- x. Reporting to City: The customer service center will have the capability to report, via fax, internet or email to the City on the status of service

complaints and missed pickups by the end of each business day. The Contractor shall provide web-based real time internet access for the City to the Customer Service Center to allow the City to review Contractor performance status on demand.

- xi. Automated Messages: The contractor will provide automated messages to service units advising of change of pickup days due to a holiday.
 - xii. Unsafe Stops: During the start up of the Commercial Refuse Collection Service, throughout the agreement, and as new accounts are added, the Contractor has the right to refuse service due to an unsafe stop. An unsafe stop shall be classified as a stop that cannot not be serviced without the potential for an accident such as low wires, backing out to a street, blind spots or but not limited to unsafe turn around space for the Contractor.
 - xiii. Emergency Contact: the Contractor will provide the City with an emergency phone number where Contractor's representative authorized to act on Contractor's behalf can be reached outside of the required office hours.
- d. Contractor's Field Photo Documentation Program (also known as Snap Shot): The Contractor's Drivers shall take pictures of containers overloaded with Surplus Refuse or Surplus Recyclables, expected to primarily be cardboard. The picture shall be forwarded, via email, to the City's Contract Administrator or designee for further action with the Commercial Service Unit and the Commercial Location(s) associated with that Commercial Service Unit. Such Documentation shall be monitored by the City. If more than two such Documentation events take place in a consecutive ninety (90) day period, the City shall take action as follows:
- i. If both Documentation events are for Surplus Refuse then the City shall take action to increase Refuse Collection Services for the Commercial Service Unit. If the Commercial Location(s) do not agree to an increase in service, the Contractor may charge the City a Surplus Refuse fee per cubic yard (as provided for in Exhibit E, Contractor's Compensation) for that Commercial Service Unit as long as the Contractor provides the Snap Shot documentation to back up the Surplus Refuse fee.
 - ii. If both Documentation events are for Surplus Recyclables then the City shall take action to increase City Provided Recycling Services for the Commercial Locations using the Commercial Service Unit. If the Commercial Location(s) do not agree to use the increased City Provided Recycling Services, the Contractor may charge the City a Surplus Refuse Fee per cubic yard (as provided for in Exhibit E, Contractor's Compensation) for that Commercial Service Unit as long as the Contractor provides the Snap Shot documentation to back up the Surplus Refuse fee.
- e. Customer Service Disputes: The City and the Contractor shall use the following procedures to address the specific customer services disputes identified:
- i. Reporting of Problems and Non-Collections: Contractor shall use an automated reporting mechanism as described above to update the City's

Customer Service System on a daily basis regarding all situations that prevent or hinder collection; all instances of non-collection and the reason for the non-collection; and all replacements, repairs and exchanges of containers. Except as otherwise provided in this agreement, to the extent possible, Contractor shall make such electronic format reports by the end of the business day in which the event occurred; where it is not possible to make such reports by the end of the business day, Contractor shall report such events no later than the end of the next business day.

- ii. Notice to the City: In the event Contractor cannot successfully contact an unresponsive Service Recipient with a service problem after three attempts, or cannot reach an agreement with such Service Recipient regarding a change in service, Contractor shall utilize the customer service system to provide the Contract Administrator with the details of the service problems and the attempts at communication with the Service Recipient. The Contract Administrator shall respond to Contractor's report and make a final written determination on resolution of the service problem.

D-5. **Contractor Reporting**: The Contractor shall provide reporting as follows:

- a. Records: Records shall be kept by Contractor on a daily, weekly, cumulative monthly and cumulative annual basis and shall be available to the City upon request.
- b. Reporting: Contractor shall maintain and submit to the City accurate reports, which detail certain activity related to services pursuant to this agreement. These reports shall include data for all materials handled from its services to the City. Annual reports shall report all the above data in the same format as the monthly report.
- c. Timing: Contractor shall file reports with the City in a timely manner but on no less than a monthly basis, specifying all complaints, accident or incidents while performing any duties pursuant to the terms of the agreement, outages or downtime and inspections by any regulatory agencies during the month of the report.
- d. Unusual Incidents: Reports shall detail the nature and reasons for unusual incidents (e.g. accidents, regulatory non-compliance notices, overweight tickets, etc.) as well as all results, findings and actions take to resolve such incidents. Contractor shall also notify the City immediately of any fines or penalties levied and any actions that could have an adverse impact on the Contractor or the service to the City, or both. Failure to report such data shall subject the Contractor to damages described else in this documents.
- e. Customer Service Center Capacity: Contractor shall provide on or before April 15, 2009, a detailed transition plan with specific descriptions of all components of the customer service center operations and all related aspects of the Contractor's responsibilities. After review and approval by the City, Contractor shall have the customer service center and supporting services in full operation no later than May 1, 2009.
- f. Route Days and Collection Route Optimization: The Contractor shall take steps prior to the Start Date to optimize the collection system and obtain the

most economical costs. The City shall review and approve new proposed collection route days.

- g. Collection Route Approval: On or before May 1, 2009, the City and the Contractor shall develop a route plan and take advantage of the use of the most economical routes within the designated service areas.

Attachment D-1 to Exhibit D

Contractor's Startup Plan

Attachment D-2 to Exhibit D

**City Procedures for Contacting Commercial Locations
with Existing Hauler Contracts as of January 31, 2009**

**MOST RECENT VERSION TO BE INCORPORATED HEREIN
AS PROCEDURE IS UPDATED OVER TIME**

The city will use the following procedures for contacting commercial locations with existing hauler contracts as of January 31, 2009, to determine whether and until when a commercial location is ineligible for conversion to commercial refuse service:

1. Data Sourced from Applicants for Hauler License
 - a. The city will compile contract expiration date information from the submittals required from all Applicants for a Hauler License, including the city's contracted franchised hauler ("contractor").
 - b. The Applicants will be informed of the following:
 - i. Only the current term of a contract that existed as of January 31, 2009, exclusive of any extensions, automatic or otherwise, will be considered in this process.
 - ii. The Applicant, if awarded a Hauler License, may be required to provide a copy of the contract should the commercial location that is said to be party to that contract contest the submitted expiration date.
2. Data Reconciliation to City Information on Commercial Locations
 - a. The contract expiration date information, itemized by commercial location, will be reconciled to the commercial location database in the City's Customer Service information system, sourced from the Personal Property Tax roll or other similar data source.
 - b. The city will then prepare the list of commercial locations with existing hauler contracts as of January 31, 2009 ("List A"). For each commercial location listed on List A, the city will list the date the term of the existing contract ends or June 30, 2011, whichever comes first, provided that if the contract was executed after January 31, 2009, the city will list the date the term of the existing contract ends or June 30, 2009, whichever comes first.
 - c. The commercial locations listed on List A will be separated from all other commercial locations so that they may be contacted separately as provided for below. The city will prepare a list of all the remaining commercial locations, which will be the list of commercial locations without existing hauler contracts ("List B"),
 - d. During this process the city will take steps to clean the lists of duplicates and other errors in address, contact information, etc.
3. Contact Procedure for Commercial Locations Without Existing Hauler Contracts
 - a. The city will then prepare and release a letter to all List B commercial locations.
 - b. That letter will contain the following types of information:
 - i. This is not a form letter.

- ii. This is a notice that your commercial location will be transitioned to the City's contracted franchised hauler as of ____.
 - iii. The City has licensed all solid waste haulers, some of whom may continue to provide service to commercial locations that they had contracts with as of January 31, 2009.
 - iv. Your commercial location was not identified by any of the Hauler License Applicants as having such a service contract.
 - v. Therefore your commercial location will be serviced by the city's refuse collection program and the licensed hauler, Waste Management of Michigan, that has been awarded that contract through a competitive bidding process.
 - vi. If you believe you have received this notice in error, or believe that you do have a valid service contract with your hauler then please contact the city representative _____ at _____ immediately so that this discrepancy can be addressed. If we do not hear from you, we will proceed on the basis that the information in this notice is correct.
 - c. The city will then follow-up in servicing these commercial locations through their procedures for establishing service orders with the contractor.
4. Contact Procedure for Commercial Locations With Existing Hauler Contracts
- a. The city will then prepare and release a letter to all List A commercial locations.
 - b. That letter will contain the following types of language:
 - i. This is not a form letter.
 - ii. This is a notice that the City has licensed all solid waste haulers, some of whom may continue to provide service to commercial locations that they had contracts with as of January 31, 2009.
 - iii. Your commercial location has been represented by Hauler License Applicant _____ as having such a service contract with an expiration date of _____ for the current term of the contract.
 - iv. Therefore your commercial location will not be serviced by the city's refuse collection program until [list term expiration date from iii or 6/30/11 or 6/30/09, whichever is applicable and earlier] .
 - v. Prior to the date listed in iv, we will re-contact you in preparation for the transition to the city's refuse collection program and the licensed hauler, Waste Management of Michigan, that has been awarded that contract through a competitive bidding process.
 - vi. If everything in this letter is correct, please sign the attached yellow "Confirmation of Service" sheet, place it in the postage paid envelope and drop it in the mail.
 - vii. If you believe you have received this notice in error because you believe that you do not have a contract as stated in iii above, please contact the city representative _____ at _____ immediately so that this discrepancy can be addressed.

- viii. Whether you agree the information in this notice is correct or you believe it to be incorrect, we will proceed on the basis that the information in this notice is correct if we do not hear from you.
 - c. The city will then follow-up in transitioning these commercial locations at the time of contract expiration through their procedures for establishing service orders with the contractor.
5. Procedure for Resolving Discrepancies between Licensed Hauler and Commercial Locations
- a. List B Commercial Locations Contesting "No Valid Contract as of January 31, 2009"
 - i. Commercial locations from List B that indicate they do have a valid contract as of January 31, 2009, will be asked to identify the Licensed Hauler and provide the city with a copy of the contract.
 - ii. The city will then review the contract, contact the Licensed Hauler if necessary, and make a determination that it is or is not a valid contract as of January 31, 2009.
 - iii. The city will then reclassify the commercial location as List A or confirm its listing on List B.
 - iv. The city will then notify both the commercial location and the identified Licensed Hauler of its decision by letter and implement service actions as appropriate for the reclassified or confirmed status.
 - b. List A Commercial Locations Contesting "Valid Contract as of January 31, 2009"
 - i. Commercial locations from List A that indicate they do not have a valid contract as of January 31, 2009, will be contacted to indicate the steps the City will take as follows.
 - 1. The city will contact the Licensed Hauler and request a copy of the contract.
 - 2. The city will then review the contract and make a determination that it is, or is not, a valid contract as of January 31, 2009.
 - ii. The city will then either reclassify the commercial location as List B or confirm its listing on List A.
 - iii. The city will then notify both the commercial location and the identified Licensed Hauler of its decision by letter and implement service actions as appropriate for the reclassified or confirmed status.

**EXHIBIT E
CONTRACTOR'S COMPENSATION**

D-1. Contractor Compensation Schedule: Beginning July 1, 2009 and for each billing period thereafter during the terms of this agreement, the Contractor shall charge and bill the City per the following Schedule with the unit pricing from the following Schedule determined by the total cubic yards capacity serviced by the Contractor that month.

a. Monthly Service Fee for Commercial Refuse Collection Services with Dumpsters

Type of container	Monthly Service Fee					
	1x Per Week	2x Per Week	3x Per Week	4x Per Week	5x Per Week	6x Per Week
2 CY Wheeled Dumpster	\$48.32	\$91.78	\$135.24	\$178.70	\$222.16	\$265.62
2 CY Dumpster	\$47.36	\$90.82	\$134.28	\$177.74	\$221.20	\$264.66
4 CY Wheeled Dumpster	\$49.70	\$93.16	\$136.62	\$180.08	\$223.54	\$267.00
4 CY Dumpster	\$48.71	\$92.17	\$135.63	\$179.09	\$222.55	\$266.01
6 CY Dumpster	\$50.70	\$94.16	\$137.62	\$181.08	\$224.54	\$268.00
8 CY Dumpster	\$51.70	\$95.16	\$138.62	\$182.08	\$225.54	\$269.00
6 CY Vert-i-pack	\$152.97	\$218.18	\$283.39	\$348.60	\$413.81	\$479.02
8 CY Vert-i-pack	\$160.07	\$225.28	\$290.49	\$355.70	\$420.91	\$486.12

NOTES:

#1: A 3 cubic yard container is considered a 4 cubic yard container

#2: A 5 cubic yard container is considered a 6 cubic yard container

#3: A 7 cubic yard container or 10 cubic yard container is considered an 8 cubic yard container

b. Monthly Service Fee for Commercial Refuse Collection Services with Roll-offs

Type of container	Monthly Service Fee					
	1 Pull/Wk	2 Pulls/Wk	3 Pulls/Wk	4 Pulls/Wk	5 Pulls/Wk	6 Pulls/Wk
10 CY Roll - Off	\$198.00	\$396.00	\$594.00	\$792.00	\$990.00	\$1,188.00
20 CY Roll - Off	\$203.00	\$406.00	\$609.00	\$812.00	\$1,015.00	\$1,218.00
30 CY Roll - Off	\$206.00	\$412.00	\$618.00	\$824.00	\$1,030.00	\$1,236.00
40 CY Roll - Off	\$212.00	\$424.00	\$636.00	\$848.00	\$1,060.00	\$1,272.00
20 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
30 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
40 CY Compactor	\$270.00	\$540.00	\$810.00	\$1,080.00	\$1,350.00	\$1,620.00

NOTES:

#1: Less than 1 haul per month, \$75.00 per month rental will apply.

c. Other Fees and Charges on a Per Unit Basis as Specified Below

UNIT PRICING ITEM	NOTE	UNIT PRICE	UNITS
Start-up Delivery Fee (City Containers)	#1	\$0.00	Per Container
Container Delivery Fee (other Containers)	#2	\$75.00	Per Container
Container Swap	#3	\$75.00	Per Swap
On Demand Extra Dumpster Lift	#4	\$60.00	Per Lift
Lockable Dumpster Option	#5	\$150.00	Per Dumpster
Surplus Refuse Collection	#6	\$20.00	Per Cubic Yard
Inactive Roll-off Rental	#7	\$75.00	Per Month
Container Service Labor	#8	\$100.00	Per Hour
Replacement Lid	#9	\$20.00	Per Lid
Compactor Service Labor	#10	\$125.00	Per Hour
LampTracker	#11	See Note	
E-Waste	#12	See Note	
Special Events-Dumpster Delivery/Removal	#13		
- One to Five 6 Cubic Yard Dumpsters		\$70.00	Per Dumpster
- Six or More 6 Cubic Yard Dumpsters		\$50.00	Per Dumpster
- Monday-Saturday Collection Service		\$10.03	Per Dumpster Lift
- Sunday Collection Service	#14	\$50.00	Per Dumpster Lift
- Event Boxes – First 500 per Year	#15	\$0.00	500 Boxes/Year
- Event Boxes – Any Amount over 500/Yr		\$6.00	Per Box
- Event Box Liners	#16	\$27.00	Per Case
- Recycle Event Box Lids		\$4.00	Per Lid

Notes:

- #1 Covers up to 310 containers delivered to businesses currently serviced by the City.
- #2 Applies to all other container deliveries to new accounts throughout the agreement.
- #3 Applies to container swaps to existing accounts throughout the agreement.
- #4 Applied to all existing accounts throughout the agreement.
- #5: Location supplies the pad lock & key, Contractor does not need key to service the dumpster.
- #6: Charged only after Documentation of 2 Surplus Refuse Events in 90 Days
- #7: Charged only if less than one roll-off pull per month. Rental applied to each inactive roll-off.
- #8: Charged only if service is for damage caused by Commercial Service Unit.
- #9: Charged only if damage caused by Commercial Service Unit.
- #10: Charged for compactor units unless covered by other compactor agreement.
- #11: From current WM website price schedule for this service
- #12: From current WM website price schedule for this service
- #13: Applicable to all Events including Art Fair, at City's request. No requirement to use service. All prices increase at 5% per year effective each July 1 starting on July 1, 2010.
- #14: Sunday Collection Service requires a Minimum Order of 15 Containers, Maximum 50.
- #15: No charge for up to 500 Event Boxes per year.
- #16: A case is 100 liners

d. Price Adjustments

- i. Each July 1 of the Contract term for the duration of the agreement, starting July 1, 2010, a 2.5% Price Adjustment shall be applied to 72% of all pricing.
- ii. Each month of the Contract term for the duration of the agreement, starting July 1, 2009, a fuel surcharge may be applied by the Contractor to 28% of all pricing. The fuel surcharge shall be 1.5% for each \$.10 increase in fuel over a base of \$4.50 per gallon, determined monthly based on the average rate of fuel for the previous month based on the following Department of Energy index:

<http://www.eia.doe.gov> for highway diesel prices.

e. Contractor Incentive Payments – to be paid to Contractor as follows:

- i. Recycling Incentive – The City will add \$2 to each monthly payment to the Contractor for each ton collected by the City's Commercial Recycling Program in the previous month for which data is available.

- ii. Service Quality Field Inspection Incentive – The City may periodically, but no more frequently than every three months, undertake random field inspections documented with photographs, performance checklists and related evaluation tools to field verify service quality. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.
 - iii. Customer Satisfaction Incentive - The City may periodically, but no more frequently than every three months, undertake random Customer Satisfaction Surveys to verify satisfaction with Contractor performance. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.
- f. No Other Fees/Charges are allowed except for those specified above or as provided in Paragraph XII.

D-2. Invoice Form, Invoicing Process and Payment

- a. No sooner than 5 days after the end of the Month for which Contractor provided service, the Contractor shall send the City an electronic invoice via email.
 - i. Such invoice shall have a Summary Invoice Page itemizing the Service Unit Count, the Service Unit Price and the subtotal for each category of Service along with the Total Amount due.
 - ii. Such invoice shall include a detailed spreadsheet showing the detailed Service Order Schedule for each Commercial Service Unit along with all additional Service Charges (Extra Pickups, etc.) by Commercial Service Unit. Service Changes from the prior month will be highlighted to enable the City to easily document additions or deletions to the Service Order Schedule.
 - iii. Such invoice shall include all required documentation for any additional Service Charges.
- b. Within 5 business days of receipt of the Contractor's invoice, the City shall confirm the Service Order Schedule information provided in the Invoice to verify its accuracy and confirm that the invoice is administratively complete. The City shall immediately notify the Contractor of any inaccuracies or missing documentation, which the Contractor shall correct as soon as it is able.
- c. The City shall pay the Contractor within 30 days of receipt of an administratively complete and accurate invoice.

D-3. Compensation Deductions and Credits: The City and Contractor agree that the following deductions and credits may be applied to the Invoice Payment from the City to the Contractor.

- a. Incentive Payments: Any Contractor incentive payments as provided for herein.
- b. Liquidated Damages: Any Liquidated Damages as provided for below. The City and Contractor agree, in addition to any other remedies available to the City, the City may notify the Contractor of the following assessed amounts as liquidated damages for failure of the contractor to fulfill its obligations, not otherwise excused by this agreement, as determined by the City. These amounts are

liquidated damages for losses suffered by the City and not a penalty. The City shall provide written notice of the liquidated damages and give the Contractor 1 business day to remedy. If the Contractor fails to remedy, the following shall apply:

- i. Failure to clean up all spilled waste resulting from loading and/or transporting – each incident at the same premises: \$50.
- ii. Failure to return a container to its proper storage location after collection – each incident at the same premises: \$50.
- iii. Failure or neglect to Collect Solid Waste from any premise at those times as provided by the agreement within 24 hours – each failure or neglect or repeated instance at same premises: \$100.
- iv. Delivery of non-City waste as part of this agreement: \$500 + merchant tons rate for all waste in load
- v. Failure or neglect to correct chronic problems in any category of service at the same premises (chronic shall mean three or more similar incidents at the same premises) – each instance: \$1,500.
- vi. Failure to provide Commercial Waste Collection service to a group of accounts (missed area or non-completed route) at the scheduled level of service (per occurrence): \$100 per container.
- vii. Failure to provide Commercial Waste Collection within twenty four (24) hours of request by the City (per occurrence): \$100.
- viii. Collection of Solid Waste from any premise that has not been approved by City (per occurrence, per premise): \$500.
- ix. Failure to report an accident, incident or complaint by close of business on the same day: \$1,500 per occurrence; \$2,500 per additional day until resolved.
- x. Failure to submit complete, accurate reports and invoices in the specified format: Nonpayment of invoice until submission of an accurate and appropriately formatted invoice is received.
- xi. If, during the performance of their duties, any employee of the Contractor is found to possess or be under the influence of alcohol or illegal drugs or to be under the influence of any prescription drug which could impair the employee's ability: \$100.00 per employee, per occurrence and removal of that person from any further work on this agreement.

The liquidated damages provided for herein are not considered as penalties and were not calculated in contemplation or anticipation that the Contractor would default. The liquidated damages are for the non-quantifiable aspects of each of the listed events and do not cover actual damages that can be shown or quantified. In the event of any of the listed events, the City reserves the right to collect from the Contractor, its surety or the Contractor's letter of credit, in addition to the liquidated damages, the actual damages incurred by the City as a result of the event.

- c. Procedure for Assessment and Review of Liquidated Damages: The City may assess liquidated damages pursuant to this Section on a monthly basis. At the end of each month during the term of this agreement, the City shall issue a

written notice to Contractor of the liquidated damages assessed and the basis for each assessment.

- i. The liquidated damages assessment shall become final unless, within ten business days of the date of the notice, Contractor provides a written request for a meeting with the City to present evidence that the assessment should not be made. The City shall schedule a meeting between the Contractor and the City as soon as reasonable possible after timely receipt of Contractor's request. The City shall review Contractor's evidence and render a decision sustained or reversing the liquidated damages as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to Contractor.
- ii. In the event Contractor does not submit a written request for a meeting within ten business days of the date of the notice, the City's determination shall be final and the Contractor must pay the liquidated damages as provided for above.
- iii. The City's assessment or collection of liquidated damages shall not prevent the City from exercising any other right or remedy, including the right to terminate this agreement, for Contractor's failure to perform the work and services in the manner set forth in this agreement.

EXHIBIT F

Chapter 26

SOLID WASTE MANAGEMENT

2:1. Definitions.

(1) *Building material* means wood with nails, other wood scrap, pane glass, dry-wall pieces or debris, plaster, carpeting, eaves troughs and shingles, structural demolition material and other items as defined by the solid waste regulations.

(2) *Bulk items* means appliances, furniture and other large household items as defined by solid waste regulations, and containers or items which exceed the capacity or weight limits for curbside pickup as defined by the solid waste regulations.

(3) *City provided recycling service* means the recycling containers and collection services provided to residential and commercial locations by the City or its agents, contractors or licensees.

(4) *Commercial location* means any commercial, industrial and institutional building located within the City.

(5) *Commercial location owner* means the owner, as listed in City records, of a commercial location.

(6) *Commercial location manager* means a person representing a commercial location owner for a particular commercial location.

(7) *Commercial location occupant* means a person or organization occupying some or all of a commercial location.

(8) *Commercial waste* means the solid waste from commercial locations and all other activities and land use other than residential occupancy.

(9) *Compostables suitable for collection by the City* means leaves, brush, tree limbs up to 6 inches in diameter and 4 feet in length, vegetative prunings, Christmas trees, and other garden or yard waste and other organic material as may be specified in solid waste regulations. Compostables suitable for home composting are specified in the solid waste regulations and City-provided fact sheets.

(10) *Construction and demolition waste* means waste building material, packaging, and rubble that results from construction, remodeling, repair, and demolition operations on houses, commercial or industrial buildings, and other structures.

(11) *Curbside cart* means a lightweight plastic container that the City requires to be used and has provided to residential and commercial locations. A curbside cart ranges in size from 30 to 105 gallons, is equipped with wheels to allow it to be easily rolled to the curb, is used for collection of refuse or recyclables or other designated solid waste, and is able to be mechanically lifted and emptied into a collection truck.

(12) *DDA* means the Downtown Development Authority as defined in chapter 7 of the City Code.

(13) *Dumpster* means a metal or plastic container in sizes that range from 1 cubic yard to 12 cubic yards, equipped with fixtures that allow the container to be dumped by a rear-loading or front-loading refuse or recycling truck.

(14) *Exemption* means the granting by the city administrator of the right to comply with this chapter through completion of alternate performance requirements provided for in section 2:9, as long as the exempted party has established and maintains the alternate performance requirements to support the City's recycling and environmental goals as required to protect the public health, safety and welfare, as provided for in the solid waste regulations.

(15) *Franchisee or franchised hauler* means contractual arrangements the City has made by having the City and an exclusive service provider selected by the City perform collection services that are structured to support the City's recycling and environmental goals as required to protect the public health, safety and welfare, as provided for in the solid waste regulations.

(16) *Garbage* means all putrescible food wastes such as animal, fish, fowl, fruit or vegetable matter incident to the use, preparation and storage of food for human consumption. It also includes paper or containers containing these wastes except as excluded by solid waste regulations. It does not include prohibited materials specified in section 2:5 or in the solid waste regulations.

(17) *Hazardous material* means hazardous waste, medical waste, radioactive material, explosives and other material listed in Michigan Public Act 641 or in the solid waste regulations.

(18) *Hazardous waste* means solvents, pesticides, flammables, oil paints, and other substances listed in Michigan Public Act 641, or Public Act 64 or in the solid waste regulations.

(19) *Household waste* means the solid waste discarded at residential dwellings, including single- and multi-family units.

(20) *Licensee or licensed hauler* means contractual arrangements the City has made with refuse haulers servicing those commercial locations granted exemptions under section 2:9, to perform collection services that are structured to support the City's health, environmental and recycling goals to protect the public health, safety and welfare, as provided for in the solid waste regulations.

(21) *National or regional refuse collection contract* means an arrangement for refuse collection services at a commercial location made by a controlling entity of the commercial location owner located outside of the City that requires that commercial location to use a refuse hauler provided by the controlling entity and thus prevents the commercial location owner from using the refuse collection services provided by the City.

(22) *Prohibited materials* means all items which may damage equipment or pose a safety threat to collectors or the environment, all items listed in section 2:6 or items defined as prohibited in the solid waste regulations. These materials will not be collected by the City.

(23) *Recyclables* means all containers, paper, cardboard, and other materials specifically designated as recyclable by the solid waste regulations.

(24) *Recycling compliance plan and recycling compliance report* means an annual plan and status report, required to be filed with the City by a commercial location owner and/or commercial location manager that has applied for and received an exemption, as provided in section 2:9, documenting the continued provision of recycling collection containers and collection services and occupant training and incentives required for separation of recyclable materials from refuse as required by this Chapter, with timing, format and submittal procedures established by regulation.

(25) *Refuse* means all rubbish and garbage which is not deemed recyclable or compostable as defined in this chapter or by the solid waste regulations. It does not include hazardous material or other prohibited materials.

(26) *Rubbish* means miscellaneous nonputrescible waste material resulting from housekeeping and ordinary mercantile enterprises, including paper, cardboard, metal containers, crockery, plastic, rubber, building materials, and bulk items. It does not include hazardous waste or other prohibited materials.

(27) *Solid waste* means refuse, rubbish, recyclables, and compostables discarded by residents and commercial establishments and which qualifies for removal by the City of Ann Arbor. It does not include hazardous material or other prohibited materials. Solid waste includes construction and demolition waste only in quantities able to be disposed of in containers provided for removal by the City of Ann Arbor.

(28) *Solid waste containers* means any containers approved by the solid waste regulations for deposit of solid waste, including containers for refuse, recyclables or compostables.

(29) *Surplus refuse* means refuse that exceeds the capacity of or otherwise does not fit in a curbside cart.

2:2. Collection frequency, services and fees.

(1) Except as otherwise provided in this chapter, the City shall collect residential and commercial solid waste generated within the City. Unless prevented by weather conditions, labor disputes or other circumstances beyond its control, the City shall collect refuse from each residential location at least once a week. Different collection intervals and fees may be established by regulation for the collection of recyclables, compostables and refuse from residential and commercial locations. Fees may be charged for the collection of commercial refuse and single-family residential refuse with a weekly capacity greater than 64 gallons or as pro-rated by the City for multi-family locations eligible for curbside pickups.

(2) As suits the current best interest of the City, and to better enable the City to regulate and control the services provided to the users of solid waste services in order to protect the public health, safety and welfare, the City may provide for an exclusive service provider for the collection and disposal of solid waste for commercial, industrial, institutional and multifamily users through City operations and/or by competitive procurement of 1 (or more) contracts with qualified licensed service providers. Nothing in this section or anywhere in this chapter shall be construed as a surrender by the City of its legal authority as the sole and exclusive hauler of all solid waste generated by residential, commercial, industrial, institutional and multifamily properties in the City.

(3) Effective May 1, 2009, a license and/or franchise is required as provided in this section, unless an earlier compliance date is specified for an action or event.

- a. No person or entity shall engage in the business of collection, transportation or disposal of solid waste, from any commercial, industrial, institutional or multifamily building within the City without first having secured a license and having made payment of the license fee as provided in this subsection 2:2 (3).
- b. No person or entity shall engage in the business of collection, transportation or disposal of solid waste, from any commercial, industrial, institutional or multifamily building within the City that have been granted exemptions

pursuant to the circumstances outlined in subsection 2:9 (2), without first having secured a license and having made payment of the license fee as provided in this subsection 2:2 (3).

- c. No person or entity shall engage in the business of collection, transportation or disposing of solid waste, from any commercial, industrial, institutional and multifamily building within the City that has not been granted an Exemption pursuant to subsection 2:9 (2) without first having secured an exclusive franchise and license and made payment of the license fee as provided in this subsection 2:2 (3).
- d. All commercial, industrial, institutional and multi-family buildings shall be serviced by the exclusive solid waste franchisee(s) selected by the City unless serviced directly by the City. No person or entity owning or occupying a commercial, industrial, institutional or multifamily building shall enter into a contract for solid waste collection with a person or entity other than the exclusive franchisee unless said commercial location has been granted an exemption pursuant to subsection 2:9 (2).
- e. All licensed haulers shall provide collection services in the manner specified in this ordinance to enable the City to prevent a nuisance or a threat to the City's health, environmental and recycling goals to protect the public health, safety and welfare, as provided for in the solid waste regulations. The site and containers for storage of waste materials shall meet the requirements of health, sanitation and safety established in the regulations.
- f. In the event an Exemption is granted to a commercial location, then the solid waste hauler servicing the building must obtain a license from the City. Provision of solid waste services to any commercial location without a hauler license is a violation of this ordinance.
- g. License application: Solid waste haulers seeking to obtain a license from the City shall submit to the City no later than March 31 of each year (starting March 31, 2009 or 45 days from 2nd reading, whichever comes later) an administratively complete application for a hauler license to become effective May 1st of that year and demonstrate compliance with all requirements of this section. An administratively complete application shall include, at a minimum, a notarized statement of intent to comply with all hauler licensing requirements pursuant to this Ordinance and the regulations including all reporting and service feature requirements, an inventory of all vehicles and vehicle numbers expected to be used to provide services within the City, certificates of insurance showing the City as additional insured, and a list of accounts located within the City that the hauler is currently serving including service details (e.g. dumpster inventory, dumpster size, dumpster location, and dumpster service frequency, etc.) and account details (e.g. address, billing and service contacts, etc.).
- h. Fees. Each licensee or franchisee under this chapter shall pay the applicable franchise fee(s) at the time of application for a license as provided for in subsection 2:2 (3) g, or at a different time if specified by resolution of the city council. Applicable fees for licenses shall be set by city council resolution.

- i. General duties of franchisees and licensees. Each licensee or franchisee under this chapter shall perform all services required pursuant to this chapter including reporting and service features, maintain its equipment used in the designated services in good repair and working order, perform its operations efficiently and faithfully, and shall punctually perform all obligations imposed on it pursuant to this chapter. All collection equipment used by the licensee or franchisee must have the name of the firm clearly displayed on both sides of vehicles and on the front of refuse containers. The City shall have the right to inspect all relevant equipment of the licensed hauler as needed to assure compliance with the provisions of this ordinance.
- j. Recycling monitoring and compliance requirements of licensed haulers: Licensed haulers must report to the City when it is found that a refuse dumpster or cart for a commercial location is more than 50% full of recyclable materials. If the licensed hauler finds that a commercial location is not capturing their recycling as provided or elsewhere in this Ordinance, the licensed hauler agrees to work with the City and the commercial location to assure the commercial location's compliance with recycling requirements of this Ordinance. The licensed hauler agrees to comply with requirements to adjust refuse dumpster and frequency of pickup downward as required to enable the commercial location to comply with the recycling requirements of this Ordinance.
- k. Reporting and examination of records. Each licensee or franchisee under this chapter shall provide reports on a schedule and in a format determined by the city administrator as part of the regulations and shall make and keep proper books and accounts in which complete entries shall be made of all transactions relating to the licensed or franchised services (separate and apart from all other records and accounts of the licensee or franchisee), which books and accounts shall be made available to inspection by the City. The City shall have the right to inspect all relevant records of the licensed hauler as needed to assure compliance with the provisions of this ordinance.
- l. Additional standards and specifications. All licensees or franchisees under this chapter shall meet any other standards and specifications with respect to service, fees and collection thereof, and manner of performance, as may from time to time be required by agreement of the City and such licensee or franchisee.
- m. Indemnification of City; insurance. All licensees and franchisees under this chapter shall indemnify, save and keep harmless the City from any and all loss, cost, damage, expense or liability of any kind whatsoever which the City may suffer or which may be recovered against the City from or on account of the issuance of the license or franchise agreement or on account of any activity advocated or permitted by the City. Licensees and franchisees shall furnish the City a certificate of insurance for the insurance amounts indicated in the hauler licensing agreement, as established by the city administrator or designee, and shall obtain additional insured coverage protecting the City for the required amounts of insurance, which additional insured status shall be reflected in the certificate of insurance.

- (4) Revocation of franchise or license.
- a. Authority of city administrator. The city administrator has the authority to temporarily revoke the license or franchise of any licensee or franchisee whose practices present an immediate threat to the health, safety and well-being of the community or any persons therein. The city administrator has the right of permanent revocation for violation of any of the provisions of this chapter upon notice and after a hearing as provided for in subsection 2:2 (4) c. iii. In addition to the provisions contained in this chapter, the city administrator shall have the authority to establish regulations for the conduct of a hearing relating to the revocation or suspension of a franchise or license.
 - b. Grounds. The city administrator is hereby given the authority to revoke or suspend a franchise or license if the city administrator finds:
 - i. The franchisee or licensee has not complied with applicable codes, ordinances, statutes, laws, policies or rules and regulations.
 - ii. The franchisee or licensee has made fraudulent, false or misrepresentative statements in the application for the franchise or license.
 - iii. The franchisee or licensee owes the City required fees or outstanding fines or penalties.
 - c. Contents and service of notices.
 - i. Contents. All notices required to be given in accordance with this section shall be in writing, setting forth the reasons for the denial or revocation of the franchise or license. The notice shall inform the franchisee or licensee that the franchisee or licensee has the right to request a hearing before the city administrator.
 - ii. Service. All notices shall be sent by certified mail, return receipt requested, to the franchisee or licensee specified in the franchise or license. Notice shall be considered given on the date such notice is mailed.
 - iii. Hearings. The city administrator or designee shall send notice of intent to revoke a franchise or license. A franchise or license shall not be revoked unless the franchisee or licensee has had an opportunity to present evidence in the franchisee's or licensee's behalf. The city administrator or designee shall, within 5 business days of the hearing, issue a written order of the findings. Such written order shall be sent to the franchisee or licensee in accordance with the notice provisions of subsection (c) of this section. If, within 10 days of the notice, the franchisee or licensee does not request a hearing in writing, the franchise or license shall be revoked.

2:3. Point of collection.

The City shall collect solid waste only if it is at the following location on the collection day:

- (1) For residential dwellings and other locations not served by dumpsters, the point of collection shall be curbside. Leaves are collected each year from the street in accordance with the solid waste regulations.

(2) All other solid waste shall be collected at the point of storage, provided that the location is permitted by the solid waste regulations and is accessible to City solid waste collection equipment.

(3) The City may refuse to collect solid waste where such materials are not stored in compliance with the solid waste regulations including where snow and ice have not been removed properly.

2:4. Points of storage.

(1) Exterior solid waste containers must be stored at the rear or side of a structure. If storage at the rear or side is not possible, storage in a different location may be approved by the City Administrator or the public services area administrator. If the container location is shown on an approved site plan, the container must be kept at the collection point shown on the site plan. Notwithstanding any site plan, no storage may be on a public easement or right-of-way unless a recorded grant of that right-of-way, license or permit has been obtained.

(2) With the exception of single- or two-family homes, solid waste customers located within the Downtown District as defined in Chapter 7 that have a point of collection at the curb shall not leave solid waste or solid waste containers at the collection point earlier than 5:00 p.m. the day before collection or after 12:00 noon or an hour after collection on the designated day of collection if collection has not occurred by 11:00 a.m.

(3) Solid waste collectors providing service to customers described in Section (2) shall collect materials by 11:00 a.m. unless an Act of God or other factors beyond the collector's control prevent collection on time. Materials not collected by 11:00 a.m. must still be collected, but the late collection will not excuse the failure to collect by 11:00 a.m. Late collection and failure to provide collection is a separate violation of this section. Solid waste collector refers to the company providing the service and not the individual drivers.

(4) With the exception of the solid waste customers described in section (2), above, all solid waste customers that have a point of collection at the curb shall not leave solid waste or solid waste containers at the collection point for more than 24 hours before or 12 hours after the designated day of collection.

(5) All dumpsters must comply with the solid waste regulations for frontload collection service. Dumpster placement requirements are provided in the solid waste regulations.

2:5. Solid waste containers.

(1) No person shall deposit or remove solid waste in the solid waste container of another person without permission of the owner or property manager. Proof of violation of this section must be based on evidence showing the deposit of at least 1 cubic foot of material into or removal of any material from another person's solid waste container.

(2) Residential Curbside Containers

a. Refuse.

- i. The City mandates the use of curbcarts for residential refuse service. Refuse curbcarts are provided by the City in a manner described in the solid waste regulations.
- ii. All refuse must be stored within the curbside cart.
- iii. The weight of the refuse inside the curbcarts must not exceed 224 pounds for a 64 gallon curbside cart or a pro-rated amount for a different sized curbside cart.

- iv. Applicable fees for the collection of refuse from the curbcarts shall be set by city council by resolution. If the charges are not paid, they may be assessed against the property pursuant to section 1:292 of chapter 13 of the City Code.
 - v. A resident or property owner who obtains a replacement curbcart shall pay for the replacement curbcart. This requirement shall be waived administratively if the curbcart has been stolen, if the curbcart was broken by collection vehicle or the curbcart is more than ten years old.
- b. *Recycling.*
- i. Residential recyclables shall be separated from refuse and placed in recyclables collection containers in a manner determined by the city administrator through the solid waste regulations.
 - ii. Recyclable containers and bundles must not exceed 50 pounds.
- c. *Compostables.*
- i. Compostables shall be separated from refuse and place in compostables containers in a manner determined by the city administrator through regulations and applicable state law.
 - ii. Paper yard waste bags and bundles are acceptable for the collection of compostables. City approved compostable curbcarts are also acceptable.
 - iii. The weight of compostable bags or bundles shall not exceed 50 pounds. The weight of compostables inside a 96 gallon curbcart shall not exceed 336 pounds.
 - iv. The purchase price for compostable carts available from the City shall be set by city council by resolution. If the charges are not paid, they may be assessed against the property pursuant to section 1:292 of chapter 13 of the City Code.

(3) Multi-Family Containers.

- a. Every multi-family dwelling unit shall be provided with refuse and recycling container space. Each unit shall be equipped with approved refuse and recycling containers stored outside of the dwelling unit, sufficient to contain the refuse and recycling generated by that location until collected. The city administrator may adopt regulations for the minimum specifications for the containers.
- b. Multi-family dwellings with 10 or more units must use dumpsters to meet the container requirements for refuse.
- c. Recycling containers will be provided by the City in accordance with the solid waste regulations; refuse curbcarts will be provided to multi-family structures with less than 10 units in accordance with the solid waste regulations.
- d. A certificate of occupancy may be revoked for dwellings not meeting the requirements of this subsection, but the City shall not decline to collect refuse because a location has failed to provide recycling containers.

(4) Commercial Containers

- a. *Refuse:* Prior to July 1, 2009, Commercial locations must be equipped with sufficient containers to contain the refuse generated by the locations until

collected. Applicable fees for the collection of refuse shall be set by city council. If the charges are not paid, they may be assessed against the property pursuant to section 1:292 of chapter 13 of the City Code.

Effective July 1, 2009, the following provisions of subsection 2:5 (4) a. and c. through g. shall apply to commercial refuse unless a different compliance date is specified for an action or event. The City reserves the right of the city administrator to adjust the dates in subsection 2:5 (4) to later dates to accommodate the transition period for the franchise implementation.

- i. The City mandates the use of approved refuse containers for commercial refuse service. The City, independently or through its franchised waste hauler, will provide all such containers, which containers shall be used by the commercial location owner, manager and occupants.
 - ii. All refuse must be stored within the curbscart or dumpster.
 - iii. Commercial locations must be equipped with sufficient approved refuse containers to contain the refuse generated by the locations until collected. Refuse curbcarts, including shared curbcarts, will be provided by the City in accordance with the solid waste regulations to those commercial locations determined to be suitable for refuse curbcarts. Dumpsters, including shared compacting dumpster units will be provided by the City in accordance with the solid waste regulations to those commercial locations determined to be suitable for dumpsters. The city administrator may adopt regulations for minimum specifications for the containers, their locations and for the use of those containers.
 - iv. Applicable fees for the collection of commercial refuse shall be set by city council resolution and shall be charged quarterly in advance. If the charges are not paid, they may be assessed against the property pursuant to section 1:292 of chapter 13 of the City Code after appropriate collection steps are taken with the commercial location owner, manager or occupant of record for the unpaid fees.
- b. *Recycling:* Prior to July 1, 2009, Commercial recyclables shall be separated in a manner determined by the city administrator through the solid waste regulations.

Effective July 1, 2009, the following provisions of subsection 2:5 (4) b. through g. shall apply to commercial recycling unless different compliance dates are specified for an action or event.

- i. Commercial recyclables shall be separated from refuse and compost and placed in recyclables collection containers by occupants of commercial locations in a manner determined by the city administrator through the solid waste regulations.
- ii. The City mandates the use of curbcarts, dumpsters, cardboard corrals and other approved containers for commercial recyclables service. The city administrator may adopt regulations for minimum specifications for the containers and their locations.

- iii. All recyclables must be stored within the curbside, dumpster, cardboard corral or other approved container.
 - iv. Recycling containers and recycling collection services will be provided by the City in accordance with the solid waste regulations.
 - v. Commercial locations must be equipped with sufficient approved recyclable containers to contain the recyclables generated by the locations until collected.
 - vi. Commercial location owners and/or commercial location managers shall work with the City to locate and maintain the recyclables collection containers at each commercial location.
 - vii. The City shall provide for an administrative approval process for the location of recyclables containers at each Location, including all required physical improvements necessary for those recyclables containers (e.g. concrete pads, screening).
 - viii. Commercial location owners and/or commercial location managers shall include compliance with the requirements of this section in all lease agreements with commercial location occupants and in all contracts for custodial services for the commercial locations.
 - ix. Commercial location owners and/or commercial location managers shall communicate recycling requirements to commercial location occupants at least annually and cooperate with the City to facilitate additional City sponsored communication regarding recycling requirements.
 - x. Commercial location owners and/or commercial location managers subject to this subsection shall have until July 1, 2012 to comply with its requirements, after which time the enforcement provisions of subsection 2:13 of this chapter shall become effective. Prior to July 1, 2012, the City will utilize a progressive enforcement program based on non-financial penalty Notices of Violation initiated by the offering of Recycling Containers and Recycling Services as described in subsection 2:5 (4) b.v.
- c. The commercial location owner and/or commercial location manager is responsible for full compliance with the requirements of subsection 2:5 (4).
 - d. Locations shall provide the space allocation necessary to demonstrate compliance with the requirements of this subsection.
 - e. Locations shall provide screening as required by chapter 62, section 5:604.
 - f. Any person providing a location for dumpsters used for commercial recyclables and related screening shall first apply to the planning and development services unit for a zoning compliance permit to do so. Application for such permit shall contain all information, including drawings, required and necessary for the determination of whether the Location and related screening would be contrary to the provisions of this chapter, or any other applicable ordinance.
 - g. As provided for in chapter 57, site plans submitted for new and or renovated commercial locations shall include sufficient solid waste information including necessary space allocation as to demonstrate compliance with the requirements of this subsection.

2:6. Prohibited materials.

The City shall refuse to collect any of the following prohibited materials:

- (1) Bulk items that do not fit inside the City-provided trash carts, such as furniture, mattresses, appliances and oversized or overweight building materials. Residents and commercial locations must make their own arrangements with the private sector for the proper removal and disposal of bulk items.
- (2) Liquid waste.
- (3) Hot ashes or other heated materials.
- (4) Dead animals, animal waste or human waste except in the manner determined by the City Administrator through the solid waste regulations.
- (5) Explosives, dangerous chemicals and other hazardous material.
- (6) Commercial medical waste as defined by the Michigan Public Health Code.
- (7) Other material that may damage equipment, pose a safety threat to collectors or the environment or are regulated by the state or federal government or as determined by the City Administrator through the solid waste regulations.

2:7. Solid waste facilities.

All nonhazardous solid waste, including refuse, recyclables and compostables, collected by the City and/or its agents or licensees shall be taken to the City's designated solid waste processing facilities currently located within the W. R. Wheeler Service Center, including the material recovery and waste transfer facility, the drop-off station, compost center and other facilities as may be established by city council action. Different types of waste may be accepted at each of these facilities. The rates for using these facilities shall be determined by the city council. Any person may discard their nonhazardous solid waste at these facilities except that persons who have not met any applicable residency requirements or have not prepared materials in a manner determined by the city administrator through regulations, or who have not paid facility charges, may be refused permission to deposit materials at the facility. Compostables and recyclables not separated according to the solid waste regulations will not be accepted for processing at the City's solid waste facilities.

2:8. Scavenging and unauthorized storage.

No person shall collect or remove and store solid waste, including recyclables, which have been prepared for City collection.

2:9. Variances.

(1) In cases of extreme hardship or practical difficulties, the city administrator may authorize variances to this chapter's requirements regarding solid waste containers, container locations, collection frequency and points of collection.

(2) Request for exemption from franchised service.

- a. Any commercial location owner and/or commercial location manager may request, in writing, to the city administrator or designee, that they be exempted from the franchised service if they can document that a national or regional refuse hauling contract was in effect no later than January 31, 2009, the signing of which was outside the person's or entity's control and that the refuse hauler providing those services has secured and maintained a valid hauler license with the City. The request for exemption must be submitted annually by May 15th of each year to document the continuation into the next 12-month period (beginning July 1) of the conditions under which the Exemption was granted. Said exemption is effectively terminated if and when the conditions cited as the reason for the exemption status cease to exist. It shall be the responsibility of the commercial location owner and/or commercial location manager to inform the City of this change in status within 30 days of occurrence.
- b. Any commercial, industrial, or institutional user that can document that it has a valid contract for refuse services in effect no later than January 31, 2009 and that the refuse hauler providing those services has secured and maintained a valid hauler license with the City may request and will be granted an exemption from the franchised service up to the initial contract termination date or through June 30, 2011, whichever is earlier, at which time exemptions granted for such purposes shall be terminated without option. For the purposes of this section the initial contract termination date is defined as the end of the current contract period and does not include any renewals or extensions, automatic or otherwise. Contracts signed after January 31, 2009 shall be valid only through June 30, 2009.
- c. Any commercial, industrial, or institutional user that has been granted an exemption from the exclusive franchise or has a valid contract for refuse services as provided for in subsection 2:2 (4) b shall utilize only a hauler that is licensed by the City.
- d. Regardless of an exemption being granted, such commercial locations must comply in full with all requirements of this chapter and regulations including requirements for separation of recyclables from refuse in separate recyclables containers.

(3) Request for exemption from City provided recycling services.

- a. Effective July 1, 2012, any commercial location owner and/or commercial location manager may request, using on-line forms made available by the City, to the city administrator or designee, that they be exempted from use of the City provided recycling service. The request shall specify the circumstances that necessitate such exemption status, which may include but are not limited to a corporate contract whose provisions are outside the

person's or entity's control, or a specialized service that cannot be provided by the City service.

- b. The request for exemption shall be submitted with a Recycling compliance plan and Recycling compliance report for the commercial locations under question.
- c. A commercial location granted an exemption under this section must maintain compliance with all other provisions of this Ordinance or said Exemption shall be administratively revoked.
- d. The request for exemption must be submitted annually by May 15th of each year to document the continuation into the next 12-month period (beginning July 1) of the conditions under which the Exemption was granted. Said exemption is effectively terminated if and when the conditions cited as the reason for the exemption status cease to exist. It shall be the responsibility of the commercial location owner and/or commercial location manager to inform the City of this change in status within 30 days of occurrence.
- e. Regardless of an exemption being granted, such commercial locations must comply in full with all requirements of this chapter and regulation including requirements for separation of recyclables from refuse in separate recyclables containers.

2:10. Solid waste regulations.

The Administrator may adopt regulations implementing this chapter, including regulations on the design, location, maintenance and access to solid waste containers, handling of prohibited materials and the proper separation of and preparation of recyclables, compostables and special pickups and to implement its solid waste management strategy. Those regulations shall take effect 30 days after being filed with the city clerk unless modified or disapproved by the city council.

2:11. Removal of improperly stored materials; enforcement.

If solid waste containers are left at the curb in violation of Section 2:12, they may be removed and disposed of by the City. Solid waste or other material left at the curb or improperly stored elsewhere outdoors may be removed by the City. At least 24 hours prior to removing materials pursuant to this section, the City shall serve a notice of violation. Notice of violation may be made by mailing it to the property owner, as shown on assessment records, delivery to the owner or posting the notice at a conspicuous place on the property. No notice shall be required if a public health hazard necessitates immediate removal of materials. All costs (including labor, equipment, materials disposal and overhead) of work performed by the City under this section shall be charged to the owner of the involved property. If the charges are not paid, they may be assessed against the property pursuant to section 1:292 of Chapter 13 of this Code.

2:12. Illegal storage of solid waste.

No person shall store solid waste or solid waste containers at locations other than permitted by this chapter or regulations implementing this chapter. No property owner or person in control shall permit solid waste or solid waste containers to remain on or adjacent to the property in violation of this section.

2:13. Penalties.

(1) Authority. The primary authority and responsibility for the enforcement of the provisions of this chapter shall be vested in the administrator or his/her designee(s). Upon a determination that a person is in violation of this chapter, the City shall give notice or issue a citation that indicates the person is in violation of a section in this chapter.

(2) Upon a finding that a section of this chapter has been violated, the violator shall be subject to one or more of the penalties provided in this section. The following classifications, when used in this chapter, shall determine the penalty for any violation of any provision of this chapter.

(3) Each violation of this chapter shall be a civil infraction punishable by a civil fine of up to \$1,000.00, plus costs and all other remedies available by statute. Violation of this chapter shall be punishable by a civil fine of not less than \$100.00 for the first offense, not less than \$250.00 and up to \$500.00 for the second offense, and not less than \$500.00 and up to \$1,000.00 for each additional or subsequent offense within a 2-year time period, plus costs and all other remedies available by statute. The maximum fine for any offense shall not exceed \$1,000.00. Each day of violation shall be a separate violation except in a case when the maximum fine is levied. If the penalty is not paid within 45 days, it may be assessed against the parcel under section 1:292 of this Code.

(4) The city administrator shall establish procedures, incorporated into the regulations for this chapter, establishing progressive enforcement programs applicable to specific sections of this chapter, designed to assure compliance over a specified time period with the provisions of this section. Enforcement actions in each progressive enforcement program may include designated time periods for technical assistance and dispute resolution prior to violation notices consistent with subsection 2:13 (3) of this chapter.

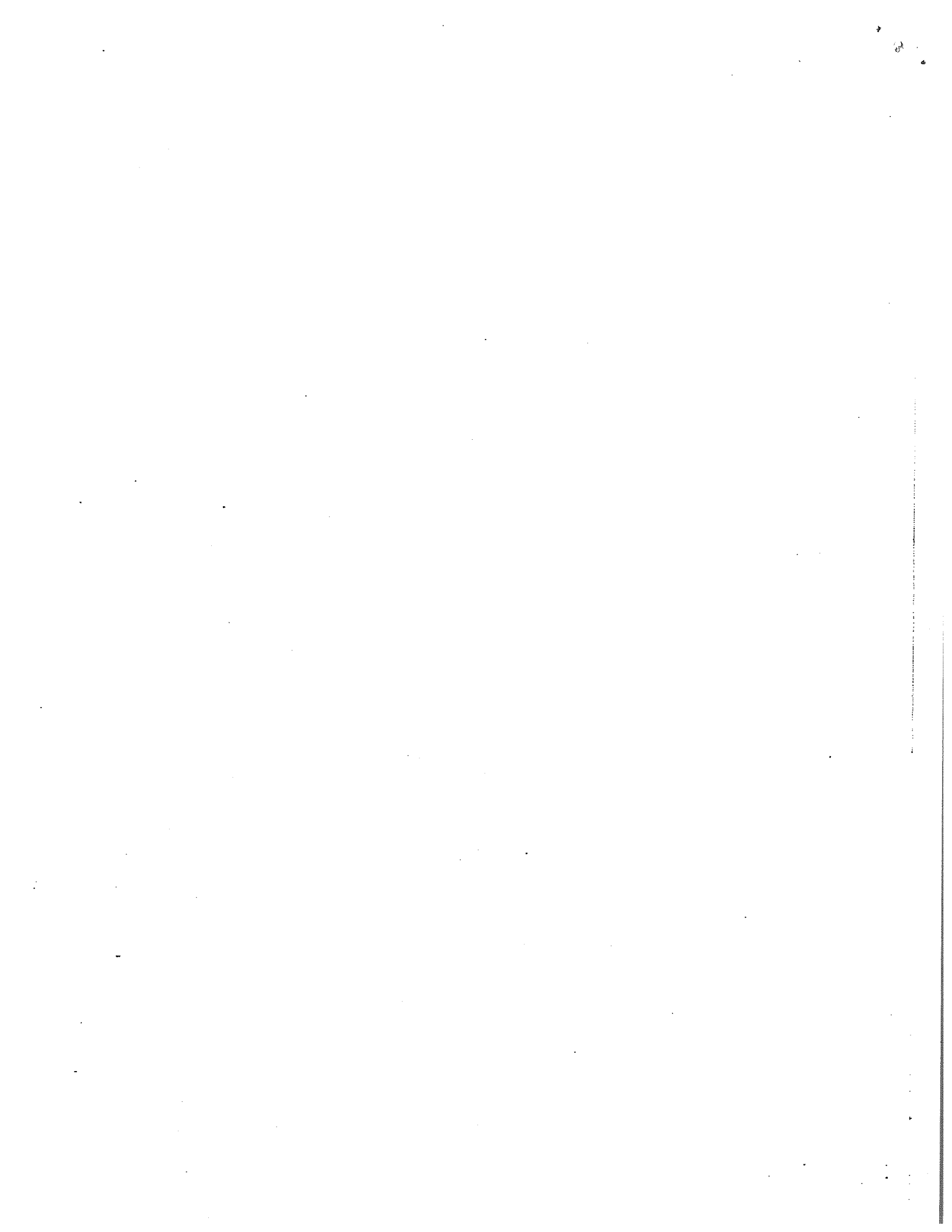


EXHIBIT G
LETTER OF CREDIT

LETTER OF CREDIT NO. _____

City Administrator
City of Ann Arbor
100 N. Fifth Avenue
P.O. Box 8647
Ann Arbor, Michigan 48107-8647

City Administrator:

We, name of financial institution, as the Surety, hereby issue our irrevocable Letter of Credit number _____ in favor of the City of Ann Arbor ("City") on behalf of Waste Management of Michigan, Inc., hereby referred to as the Principal, for a sum of up to an aggregate amount not to exceed two hundred fifty thousand and 00/100 dollars (\$250,000.00), available by your drafts at sight drawn on our institution, name of financial institution, located at _____ address _____. Drafts must be marked "Drawn under name of financial institution Letter of Credit number _____ dated effective date." We are a bank or financial institution that has the authority to issue Letters of Credit in the state of Michigan.

This Letter of Credit is to provide financial assurance to the City for the conditions specified in a Service Agreement for Commercial Refuse Collection Services entered into by and between the City and the Principal, according to which the Principal is required to provide refuse collection services within the City of Ann Arbor.

The City, by the City Administrator or Contract Administrator, may draw on this Letter of Credit in the event that the City is required to perform services that Principal has failed to perform and/or in the event that Principal fails to reimburse the City within thirty (30) days for amounts invoiced to Principal for reimbursement, provided the City shall have given Principal not less than ten (10) days written notice prior to drawing on this Letter of Credit. These funds are to reimburse the City in the amount of the costs to the City to perform services that Principal failed to perform and/or in the amount(s) Principal is required to reimburse the City.

Partial drawings and multiple drawings are permitted. Draws shall be made by presentation of a signed and dated affidavit from the City Administrator or the Contract Administrator stating the amount the Principal is obligated to pay or reimburse the City and referencing Letter of Credit no. _____ dated effective date. This original Letter of Credit must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation. Payment will be made within five (5) days after presentation of the affidavit

This Letter of Credit shall be, and continue to be, in force for a minimum of one (1) year, but such expiration date shall be automatically extended for periods of one (1) year, unless, not less than ninety (90) days before the current expiration date, we notify both the City and the Principal by certified mail or courier of our decision not to extend the current expiration date. We agree that the ninety-day period shall begin on the date when both the City and the Principal have received the notice, as evidenced by the return receipts. If the Principal does not extend the expiration date or establish alternative financial assurance within thirty (30) days after receipt of an expiration or cancellation notice by the Surety, the City may draw on the Letter of Credit. The Principal is not authorized to cancel the Letter of Credit either in part or in whole without written approval from the City.

The Surety shall not be called upon to determine questions of fact or law at issue between the City and the Principal.

This Letter of Credit is subject to the Uniform Customs and Practices for Documentary Credits, 1993 Revisions, International Chamber of Commerce, Publication No. 500, and the Uniform Commercial Code, where applicable. Where conflicts exist between Uniform Customs and Practices for Documentary Credits and the Michigan Uniform Commercial Code, the Michigan Uniform Commercial Code shall control.

We shall honor drafts drawn under and in compliance with the terms of this Letter of Credit and these drafts will be duly honored upon presentation to us if presented on or before _____, 20__, or any automatically extended date. The amount of each draft must be endorsed by us on the reverse of this Letter of Credit.

We certify that the wording on this Letter of Credit is identical to the wording provided by the City as of the date shown immediately below.

Institution

Address

City, State

Signature

Printed name

Date

Telephone

AMENDMENT NUMBER ONE TO
SERVICE AGREEMENT
BETWEEN WASTE MANAGEMENT OF MICHIGAN, INC.,
AND THE CITY OF ANN ARBOR

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 W. Huron Avenue, Ann Arbor, Michigan 48107-8647 ("CITY") and, Waste Management of Michigan, Inc., a Michigan Corporation, having its offices at 48797 Alpha Drive, Suite 100, Wixom, MI, 48393, Federal ID # 38-1214786, a wholly owned subsidiary of Waste Management, Inc., a Delaware Corporation, having its offices at 1001 Fannin Street, Houston, Texas, 77002-6706, Federal ID # 73-1309529 ("CONTRACTOR"), agree this 16 day of December, 2013, to amend the Services Agreement entered into between them and dated June 18, 2009, as follows:

- 1). Section D-1, Contractor Compensation Schedule, of Exhibit E, Contractor's Compensation, is amended to read as follows:

D-1. Contractor Compensation Schedule: Beginning July 1, 2009 and for each billing period thereafter during the terms of this agreement, the Contractor shall charge and bill the City per the following Schedule with the unit pricing from the following Schedule determined by the total cubic yards capacity serviced by the Contractor that month.

a. Monthly Service Fee for Commercial Refuse Collection Services with Dumpsters

Type of container	Monthly Service Fee					
	1x Per Week	2x Per Week	3x Per Week	4x Per Week	5x Per Week	6x Per Week
2 CY Wheeled Dumpster	\$48.32	\$91.78	\$135.24	\$178.70	\$222.16	\$265.62
2 CY Dumpster	\$47.36	\$90.82	\$134.28	\$177.74	\$221.20	\$264.66
4 CY Wheeled Dumpster	\$49.70	\$93.16	\$136.62	\$180.08	\$223.54	\$267.00
4 CY Dumpster	\$48.71	\$92.17	\$135.63	\$179.09	\$222.55	\$266.01
6 CY Dumpster	\$50.70	\$94.16	\$137.62	\$181.08	\$224.54	\$268.00
8 CY Dumpster	\$51.70	\$95.16	\$138.62	\$182.08	\$225.54	\$269.00
6 CY Vert-i-pack	\$152.97	\$218.18	\$283.39	\$348.60	\$413.81	\$479.02
8 CY Vert-i-pack	\$160.07	\$225.28	\$290.49	\$355.70	\$420.91	\$486.12

NOTES:

- #1: A 3 cubic yard container is considered a 4 cubic yard container
#2: A 5 cubic yard container is considered a 6 cubic yard container
#3: A 7 cubic yard container or 10 cubic yard container is considered an 8 cubic yard container

b. Monthly Service Fee for Commercial Refuse Collection Services with Roll-offs

Type of container	Monthly Service Fee					
	1 Pull/Wk	2 Pulls/Wk	3 Pulls/Wk	4 Pulls/Wk	5 Pulls/Wk	6 Pulls/Wk
10 CY Roll - Off	\$198.00	\$396.00	\$594.00	\$792.00	\$990.00	\$1,188.00
20 CY Roll - Off	\$203.00	\$406.00	\$609.00	\$812.00	\$1,015.00	\$1,218.00
30 CY Roll - Off	\$206.00	\$412.00	\$618.00	\$824.00	\$1,030.00	\$1,236.00
40 CY Roll - Off	\$212.00	\$424.00	\$636.00	\$848.00	\$1,060.00	\$1,272.00
20 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
30 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
40 CY Compactor	\$270.00	\$540.00	\$810.00	\$1,080.00	\$1,350.00	\$1,620.00

NOTES:

- #1: Less than 1 haul per month, \$75.00 per month rental will apply.

c. Other Fees and Charges on a Per Unit Basis as Specified Below

UNIT PRICING ITEM	NOTE	UNIT PRICE	UNITS
Start-up Delivery Fee (City Containers)	#1	\$0.00	Per Container
Container Delivery Fee (other Containers)	#2	\$75.00	Per Container
Container Swap	#3	\$75.00	Per Swap
On Demand Extra Dumpster Lift	#4	\$60.00	Per Lift
Lockable Dumpster Option	#5	\$150.00	Per Dumpster
Surplus Refuse Collection	#6	\$20.00	Per Cubic Yard
Inactive Roll-off Rental	#7	\$75.00	Per Month
Container Service Labor	#8	\$100.00	Per Hour
Replacement Lid	#9	\$20.00	Per Lid
Compactor Service Labor	#10	\$125.00	Per Hour
LampTracker	#11	See Note	
E-Waste	#12	See Note	
Special Events-Dumpster Delivery/Removal	#13		
-- One to Five 6 Cubic Yard Dumpsters		\$70.00	Per Dumpster
- Six or More 6 Cubic Yard Dumpsters		\$50.00	Per Dumpster
- Monday-Saturday Collection Service		\$10.03	Per Dumpster Lift
- Sunday Collection Service	#14	\$50.00	Per Dumpster Lift
- Event Boxes – First 500 per Year	#15	\$0.00	500 Boxes/Year
- Event Boxes – Any Amount over 500/Yr		\$6.00	Per Box
- Event Box Liners	#16	\$27.00	Per Case
- Recycle Event Box Lids		\$4.00	Per Lid
<u>Additional Collection Service on Sunday</u>	<u>#17</u>	<u>\$50.00</u>	<u>Per Dumpster Lift</u>

Notes:

- #1 Covers up to 310 containers delivered to businesses currently serviced by the City.
- #2 Applies to all other container deliveries to new accounts throughout the agreement.
- #3 Applies to container swaps to existing accounts throughout the agreement.
- #4 Applied to all existing accounts throughout the agreement.
- #5: Location supplies the pad lock & key, Contractor does not need key to service the dumpster.
- #6: Charged only after Documentation of 2 Surplus Refuse Events in 90 Days
- #7: Charged only if less than one roll-off pull per month. Rental applied to each inactive roll-off.
- #8: Charged only if service is for damage caused by Commercial Service Unit.
- #9: Charged only if damage caused by Commercial Service Unit.
- #10: Charged for compactor units unless covered by other compactor agreement.
- #11: From current WM website price schedule for this service
- #12: From current WM website price schedule for this service
- #13: Applicable to all Events including Art Fair, at City's request. No requirement to use service. All prices increase at 5% per year effective each July 1 starting on July 1, 2010.
- #14: Sunday Collection Service requires a Minimum Order of 15 Containers, Maximum 50.
- #15: No charge for up to 500 Event Boxes per year.
- #16: A case is 100 liners
- #17: This Sunday Collection Service is for an additional, scheduled day for dumpsters that already get regular weekly service. The Sunday Collection Service for these locations will be limited to a Maximum Order of 5 dumpsters that are either uncompacted dumpsters or dumpsters located at compacting (Vertipack) stations

d. Price Adjustments

- i. Each July 1 of the Contract term for the duration of the agreement, starting July 1, 2010, a 2.5% Price Adjustment shall be applied to 72% of all pricing.

- ii. Each month of the Contract term for the duration of the agreement, starting July 1, 2009, a fuel surcharge may be applied by the Contractor to 28% of all pricing. The fuel surcharge shall be 1.5% for each \$.10 increase in fuel over a base of \$4.50 per gallon, determined monthly based on the average rate of fuel for the previous month based on the following Department of Energy index:

<http://www.eia.doe.gov> for highway diesel prices.

e. Contractor Incentive Payments – to be paid to Contractor as follows:

- i. Recycling Incentive – The City and the Contractor agree that the City will not pay and does not owe any Recycling Incentive payments to the Contractor for the duration of the Contract, effective as of the start date of the Contract, notwithstanding the provision for such payments in the original Contract. The City will add \$2 to each monthly payment to the Contractor for each ton collected by the City's Commercial Recycling Program in the previous month for which data is available.
- ii. Service Quality Field Inspection Incentive – The City may periodically, but no more frequently than every three months, undertake random field inspections documented with photographs, performance checklists and related evaluation tools to field verify service quality. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.
- iii. Customer Satisfaction Incentive - The City may periodically, but no more frequently than every three months, undertake random Customer Satisfaction Surveys to verify satisfaction with Contractor performance. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.

f. No Other Fees/Charges are allowed except for those specified above or as provided in Paragraph XII.

All terms, conditions, and provisions of the original agreement between the parties executed June 18, 2009, unless specifically amended above, are to apply to this amendment and are made a part of this amendment as though expressly rewritten, incorporated, and included herein.

This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this December 16 2013.

**FOR WASTE MANAGEMENT
OF MICHIGAN, INC.**

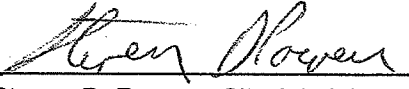
By Denise Gretz
Denise Gretz, Area Vice President

FOR THE CITY OF ANN ARBOR

By John Hieftje
John Hieftje, Mayor

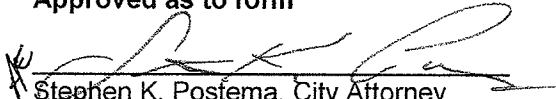
By Jacqueline Beaudry
Jacqueline Beaudry, City Clerk

Approved as to substance

By 
Steven D. Powers, City Administrator

By 
Craig Hupy, Public Services Administrator

Approved as to form


Stephen K. Postema, City Attorney



CITY OF ANN ARBOR, MICHIGAN

301 E. Huron, P.O. Box 8647, Ann Arbor, Michigan 48107
Phone (734) 794-6110 FAX (734) 994-8297

Office of the City Administrator

February 28, 2017

Waste Management of Michigan
48797 Alpha Drive
Suite 100
Wixom, Michigan 48393

Attention: Denise J. Getz
President

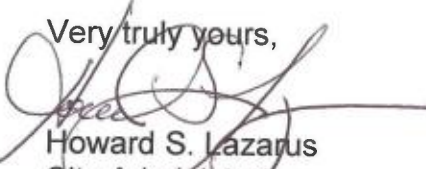
**Re: Commercial Collection Services Agreement with the City of Ann Arbor
Notice to Extend**

Ladies and Gentlemen,

In accordance with Section II DURATION, of the Commercial Collection Service Agreement between the City of Ann Arbor and Waste Management of Michigan dated June 18, 2009, the City of Ann Arbor is exercising its option and providing formal notice that the agreement is extended for its second and final additional term until June 30, 2019.

We look forward to continuing this work with your firm.

Very truly yours,



Howard S. Lazarus
City Administrator

cc: Craig Hupy, Public Services Area Administrator
Molly Maciejewski, Public Works Manager
Cresson Slotten, Systems Planning Manager
Christina Gomes, Solid Waste & Recycling Operations Coordinator