

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) is made by and between California Waste Solutions, Inc. (hereafter “Plaintiff”), and the City of San Jose (hereafter “CITY”). “Parties,” when referenced herein, includes Plaintiff and CITY collectively.

WHEREAS, in 2011, the Parties entered into an agreement for Plaintiff to provide curbside residential hauling and processing of recyclable materials entitled “Agreement Between the City of San Jose and California Waste Solutions, Inc. for Recycle Plus SFD Recycling Collection Services” (the “2011 Agreement”);

WHEREAS, the Parties entered into another agreement at the conclusion of the 2011 Agreement entitled “Amended and Restated Agreement Between the City of San Jose and California Waste Solutions, Inc. for Recycle Plus SFD Recycling Collection Services” for the period July 1, 2021 – June 30, 2036 (the “2021 Agreement”);

WHEREAS, Plaintiff filed a lawsuit on January 6, 2023 entitled *California Waste Solutions, Inc. v. City of San Jose, et al.* in the Superior Court for the State of California, County of Santa Clara, case number 23CV409641, (hereafter the “Action”), arising solely from the 2011 Agreement;

WHEREAS, on April 6, 2023, CITY removed the Action to the United States District Court for the Northern District of California, after which the Action was assigned case number 23-cv-01647-MMC;

WHEREAS, the Parties now mutually desire to resolve the Action without further litigation and, therefore, undertake to settle the Action in its entirety by entering into this Settlement Agreement pursuant to which the Parties will amend the 2021 Agreement and Plaintiff will release and extinguish on a final basis all claims and potential claims arising out of, or in any way connected with all matters alleged, or which could have been alleged pertaining to the 2011 Agreement, in the pleadings comprising the Action; and

WHEREAS, the Parties mutually release any and all claims and potential claims pertaining to the 2021 Agreement that have accrued as of the date this Settlement Agreement is fully executed.

NOW THEREFORE, the Parties agree as follows:

1. Scope of Settlement. This Settlement Agreement shall settle, compromise, and forever discharge all claims of any and every kind, nature and character, which Plaintiff alleged, or could have alleged, in the Action arising from or based on any act or omission by the CITY, CITY Departments, CITY elected officials, and all current and former CITY employees, whether acting in their official or individual capacities pertaining to the 2011 Agreement. Additionally, this Settlement Agreement shall settle, compromise, and forever discharge all claims or potential claims either Party may have against the other arising from the 2021 Agreement, to the extent such claims have accrued as of the date this Settlement Agreement is fully executed.

2. Consideration. In consideration for Plaintiff's agreements, promises, covenants, releases, waivers, and dismissal of the Action, stated herein, CITY will: (1) pay CWS a one-time, up-front payment of \$1.0 million for program start-up costs within thirty (30) days after the Amendment referenced herein is fully executed; and (2) approve an amendment ("Amendment") to the Parties' 2021 Agreement. The Amendment is subject to approval by the San José City Council. The Amendment will include the terms set forth in Exhibit A to this Settlement Agreement. In exchange for the Amendment, Plaintiff shall dismiss the Action with prejudice and withdraw, waive, and release all claims for damages, including all claims and/or rights to recover costs and attorney's fees.

3. Contingency. The Amendment is contingent upon the City's approval of a similar amendment to its contract with Waste Connections of California, Inc. entitled "Amended and Restated Agreement Between the City of San Jose and Waste Connections of California, Inc. D/B/A GreenTeam of San Jose for Solid Waste Services." If the Amendment is not approved, the Parties will request the Court to set a trial date in the Action.

4. Dismissal of Claims. Plaintiff and Plaintiff's attorneys shall dismiss the Action with prejudice within five (5) business days after the Amendment is fully executed by the Parties.

5. Release. Plaintiff and Plaintiff's representatives, successors, assigns, attorneys, and agents, hereby generally release and forever discharge CITY and all past and present employees of CITY, whether or not the employee was named individually in the Action. For purposes of this Settlement Agreement, CITY includes, without limitation, all CITY Departments and Agencies, the CITY Council, all past and present elected and appointed officials, CITY employees, and any person or entity to which CITY may owe an obligation of contractual or implied indemnity relating to a released claim. The release includes, without limitation, any and all actions, causes of action, obligations, costs, expenses, damages, losses, claims, liens, liabilities,

attorney's fees, and demands of whatsoever nature relating to or arising out of the Parties' agreements, including but not limited to the 2011 Agreement or the facts or circumstances alleged in the Action, or that could have been alleged in the Action relating to the 2011 Agreement, whether or not such claims were actually asserted in the Action.

6. Mutual Release of Claims Related to 2021 Agreement: Each Party and its representative, successors, assigns, attorneys, and agents, hereby generally release and forever discharge the other Party and all past and present employees of the other Party of any and all actions, causes of action, damages, losses, claims, liens, attorneys' fees, and demands of whatsoever nature relating to or arising out of the 2021 Agreement, to the extent any such claim has accrued as of the date this Settlement Agreement is fully executed.

7. Release of Unknown Claims. The Parties understand this Settlement Agreement is a full and final settlement of all disputes and matters arising out of any subject matter identified in this Settlement Agreement, including but not limited to all claims and causes of action asserted, or which could have been asserted in the Action by Plaintiff pertaining to the 2011 Agreement, and any claims of either Party that could have accrued under the 2021 Agreement as of the date of this Settlement, and all present and future unknown and unanticipated injuries, losses or damages arising out of the Action (the "Released Matters"). The Parties acknowledge and understand Section 1542 of the Civil Code of the State of California provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Initials _____

Initials _____

The Parties represent that they have read, reviewed with counsel, and understood Civil Code Section 1542, and that they hereby waive all present and future rights and benefits under Section 1542 to the extent it would permit claims relating to, arising out of, or any way connected to the subject of the Released Matters based on facts found to be different from the facts believed to be true at the time this Settlement Agreement was executed.

8. Liability Not Admitted. The Parties acknowledge and agree that CITY's approval of the Amendment represents a compromise and release of disputed claims and that neither the Amendment, nor anything stated in this Settlement Agreement, constitutes or represents an admission of wrongful conduct, or liability, or responsibility of any kind, or a concession by any person, that any allegation asserted in the claims alleged in the Action is valid.

9. Parties to Bear Own Attorney's Fees and Costs. The Parties shall bear their own costs, including attorneys' fees, and any other fees incurred in connection with the Action, this Settlement Agreement, the Amendment, and the matters settled pursuant to this Settlement Agreement.

10. Consultation with Counsel. The Parties and each of them acknowledge they have carefully read and understand the terms of this Settlement Agreement and have consulted with legal counsel of their choice prior to execution and delivery of this Settlement Agreement. The Parties have voluntarily accepted the terms stated herein for the express purpose of making a full and final compromise and settlement of the Action.

11. Representations. Each person executing this Settlement Agreement hereby warrants that he has full authority to do so. Plaintiff further represents and warrants that it is the sole and rightful owner of the claims asserted in the Action; that it has not assigned any claim or claims, or the right to receive payments that are the subject of this Settlement Agreement; and that no Liens on the settlement proceeds have been asserted or exist.

12. Severability. If any provision in this Settlement Agreement is found to be unenforceable, it shall not affect the enforceability of the remaining provisions and the court shall enforce the remaining provisions to the extent permitted by law.

13. Counterparts. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original and shall be deemed duly executed upon the signing of the counterparts by the Parties hereto.

14. Binding Force and Effect. This Settlement Agreement shall be governed by California law. It shall bind and inure to the benefit of all Parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, affiliated entities, agents, and representatives.

15. Entire Agreement. This document is a fully integrated contract. It contains all

agreements, covenants, understandings, representations, and warranties between the Parties concerning the subject matter of the Settlement Agreement. The Parties have made no other express or implied agreements, covenants, understandings, representations, or warranties concerning the subject matter of this Settlement Agreement. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, understandings, representations, covenants, and warranties concerning the subject matter of this Settlement Agreement, other than those referred to herein, are merged herein. This Settlement Agreement cannot be modified or amended by the exchange of electronic communications or any means other than a fully integrated writing signed by all Parties.

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IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement effective as of the date last set forth below.

Dated: _____

By: _____
Michael Duong
President
California Waste Solutions, Inc.

CITY OF SAN JOSE

Dated: _____

By: _____
SUSANA ALCALA WOOD
City Attorney as Authorized Agent for
the City of San José

APPROVED AS TO FORM:

BUCHALTER LLP

Dated: _____

By: _____
DOUGLAS C. STRAUS
Attorney for Plaintiff

CITY OF SAN JOSE

Dated: _____

By: _____
ARDELL JOHNSON
Assistant Deputy City Attorney
Attorney for City of San José

EXHIBIT "A"

**FIRST AMENDMENT TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN THE CITY OF SAN JOSE AND
CALIFORNIA WASTE SOLUTIONS, INC. FOR RECYCLE PLUS SFD
RECYLCING COLLECTION SERVICES**

This First Amendment to the Amended and Restated Agreement Between the City of San José, a municipal corporation of the State of California (“CITY”) and California Waste Solutions, Inc. (“CONTRACTOR”) (collectively the “Parties”) for Recycle Plus SFD Recycling Collection Services, dated June 16, 2021, (“FIRST AMENDMENT”) is made and entered into on the date that it is fully executed by the Parties.

RECITALS

WHEREAS, CONTRACTOR filed a lawsuit against the CITY on January 6, 2023, entitled *California Waste Solutions, Inc. v. City of San Jose, et al.* in the Superior Court for the State of California, County of Santa Clara, Case number 23CV409641, which was removed to the United States District Court for Northern California, Case number 23-cv-01647-MMC (hereafter the “Action”);

WHEREAS, the Action arises solely from the previous agreement between the CITY and CONTRACTOR for Recycle Plus SFD Recycling Collection Services, which had a term from July 1, 2010 through June 30, 2021;

WHEREAS, on _____, the Parties entered into a settlement agreement for purposes of resolving the Action in its entirety without further litigation, pursuant to which the Parties agreed to amend the current agreement between the CITY and CONTRACTOR entitled “Amended and Restated Agreement Between the City of San José and California Waste Solutions, Inc. for Recycle Plus SFD Recycling Collection Services,” with a term from July 1, 2021 through June 30, 2036 (the “Agreement”);

WHEREAS, under the Agreement, CONTRACTOR provides SFD Recycling Collection Services at all Service Units within the Service Districts;

WHEREAS, the CITY and CONTRACTOR desire to amend the Agreement to add a curbside battery collection service by CONTRACTOR at all SFD Service Units (specifically individual living units in single-family dwellings) within the Service Districts, for which the CITY will provide additional compensation;

WHEREAS, the curbside battery collection service will provide a new enhancement to residents residing in a SFD Service Unit allowing them to easily and safely dispose of certain used batteries on their designated collection day;

WHEREAS, the curbside battery collection service will commence on

_____, 2026, with a minimum duration of five (5) years, and terminate on June 30, 2036, on the condition that the San José City Council approve this FIRST AMENDMENT. CONTRACTOR will have the option to terminate the battery collection service after five (5) years, upon six (6) months' written notice to the CITY prior to _____, 2031.

WHEREAS, this FIRST AMENDMENT will only take effect if Waste Connections of California, Inc. D/B/A GreenTeam of San Jose ("GreenTeam") executes a San José City Council approved amendment to its agreement with the CITY for Solid Waste Services to provide the same curbside battery collection service to SFD Service Units (specifically individual living units in single family dwellings);

WHEREAS, CONTRACTOR will have the option to terminate the battery collection service as set forth above on the condition that GreenTeam also opts to terminate pursuant to the same notice requirements;

WHEREAS, for the purpose of this FIRST AMENDMENT, the definitions contained in the Agreement apply, unless otherwise specifically stated herein;

WHEREAS, this FIRST AMENDMENT is considered Not a Project, File No. PP17-003, Agreements and Contracts in accordance with the requirements of the California Environmental Quality Act; and

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the CITY and CONTRACTOR agree to amend the Agreement as follows:

SECTION 1. ARTICLE 1, "DEFINITIONS," is amended to add the following new Section 1.7.5 to read as follows:

1.7.5 Covered Batteries.

Alkaline AA, AAA, C, D, N, 9V and "coin" or "button" style lithium-ion batteries that are included in the SFD Battery Collection Service.

SECTION 2. ARTICLE 1, "DEFINITIONS," Section 1.16, is amended to read as follows:

1.16 Hazardous Waste.

Any material which is defined as a hazardous waste under California or United States law or any regulation promulgated pursuant to such law, as such law or regulation may be amended from time to time, but not including materials defined as E-Waste, Used Oil or Used Oil Filers that can be Recycled, or Covered Batteries.

SECTION 3. ARTICLE 1, “DEFINITIONS,” Section 1.24, is amended to read as follows:

1.24 Non-Program Materials.

Those materials which are collected as part of the provision of SFD Recycling Service, SFD Used Oil Collection Service, and SFD Battery Collection Service and have been approved by the Director for inclusion in the Material Recovery Standard (MRS) set forth in Article 16 of this Agreement. Materials include Post-Processing Commingled Recyclable Material, Used Oil, Used Oil Filters, car batteries, E-Waste, tires, concrete, Yard Trimmings, Compostable Waste, wood, helium or propane compressed gas tanks or cylinders, and Covered Batteries. Non-Program Material must be generated at the Service Unit from which the Non-Program Material is collected.

SECTION 4. ARTICLE 1, “DEFINITIONS,” Section 1.40, is amended to read as follows:

1.40 SFD Recycling Collection Services.

SFD Recycling Service, SFD Large Item Collection Service, SFD Used Oil Collection Service, and SFD Battery Collection Service (“Collection Services”).

SECTION 5. ARTICLE 1, “DEFINITIONS,” is amended to add the following new Section 1.40.5 to read as follows:

1.40.5 SFD Battery Collection Service.

The curbside collection of Covered Batteries from SFD Service Units (specifically individual living units in single family dwellings) in the Service Districts and the appropriate disposition of the Covered Batteries in accordance with the requirements of this Agreement.

SECTION 6. ARTICLE 1, “DEFINITIONS,” Section 1.43, is amended to read as follows:

1.43 SFD Service Unit.

Any Dwelling Unit or Small Civic Service Unit in the Service District(s) utilizing a Garbage Cart, any Dwelling Units in a Mixed Use Dwelling, or any combination of Dwelling Units sharing Garbage Carts, for the accumulation and set-out of Residential Solid Waste. For purposes of the SFD Battery Collection Service, collection shall occur at individual living units in single-family dwellings in Service Districts utilizing a Recycling Cart.

SECTION 7. ARTICLE 2, “TERM,” Section 2.1, is amended to read as follows:

2.1 Term.

Subject to Article 19, the term of this Agreement is from July 1, 2021 through June 30, 2036. With respect to the SFD Battery Collection Service only, service will commence on _____, 2026, with a minimum duration of five (5) years, and terminate on June 30, 2036. CONTRACTOR will have the option to terminate the SFD Battery Collection Service after five (5) years, upon six (6) months' written notice to the CITY prior to _____, 2031, and on the condition that GreenTeam also opts to terminate pursuant to the same notice requirements.

SECTION 8. ARTICLE 4, "GENERAL SERVICES," Section 4.2, is amended to read as follows:

4.2 Limitations to Exclusive Agreement.

Nothing in this Agreement shall be construed to limit the collection, processing, and disposal of the following material to CONTRACTOR:

- Used Oil Collection
- Material collected from temporary residential clean-outs with Roll-Off or front-load containers
- Recyclable Material transported by the generator (self-hauled waste)
- Large Items
- Donated material for which the material and any services related to the collection, processing, or disposal of the material does not involve financial consideration
- Compostable Waste composted on the real property where it is generated
- Exempt Waste
- Material which is set aside for destruction and recycling for security purposes (secure document shredding)
- Rock, concrete, asphalt and dirt (inert material)
- Construction and demolition debris
- Rubber and tires
- Covered Batteries

Nothing in this Agreement shall be construed as requiring Service Recipients to set out the above material for collection by CONTRACTOR. Service Recipients may dispose of these materials by other appropriate means including, but not limited to, taking the material to drop-off facilities and donating or selling such items to private or public entities.

SECTION 9. ARTICLE 4, "GENERAL SERVICES," Section 4.7, is amended to read as follows:

4.7 Ownership of Materials.

Title to Recyclable Material, Large Items, and Used Oil and Used Oil Filters, and Covered

Batteries shall pass to CONTRACTOR at the time the materials are set out for collection, except for Recyclable Material selected for inclusion in a waste characterization study specified in Article 10, in which case title shall pass to the CITY at the time the Recyclable Material is set out for collection.

SECTION 10. ARTICLE 4, “GENERAL SERVICES,” is amended to add the following new Section 4.10.5 to read as follows:

4.10.5 Covered Batteries.

CONTRACTOR shall at all times keep all Covered Batteries collected from SFD Service Units pursuant to this Agreement segregated from other materials until all CITY-required data has been collected and recorded by CONTRACTOR. Such segregation includes segregation in the collection vehicles, in battery storage containers at the processing facility and all times the Covered Batteries are in CONTRACTOR’s possession.

SECTION 11. ARTICLE 6, “SFD RECYCLING COLLECTION SERVICES,” Section 6.1.1, is amended to read as follows:

6.1.1 Frequency of Service.

CONTRACTOR shall provide SFD Recycling Collection Services to each Service Unit in the Service Districts once every week on a scheduled route basis. CONTRACTOR shall provide SFD Used Oil Collection Services to each SFD Service Unit in the Service Districts once every week on a scheduled route basis. CONTRACTOR shall provide SFD Battery Collection Services to each SFD Service Unit in the Service Districts once every week on a scheduled route basis. CONTRACTOR shall provide collection of Recyclable Material, Used Oil and Used Oil Filters, and Covered Batteries on the same Work Day as the collection of Residential Solid Waste to that Service Unit is scheduled. Where the scheduled collection day falls on a holiday, CONTRACTOR shall adjust the route schedule as set forth in this Agreement.

SECTION 12. ARTICLE 6, “SFD RECYCLING COLLECTION SERVICES,” is amended to add the following new Section 6.2.3.3 to read as follows:

6.2.3.3 Non-Collection of Covered Batteries.

CONTRACTOR shall not be required to collect materials set out for SFD Battery Collection if the bag contains items other than Covered Batteries, or if the bag is not sufficiently translucent for CONTRACTOR to inspect its contents. In the event of non-collection, CONTRACTOR shall place the bag on top of the recycling cart and affix a Non-Collection Notice explaining why collection was not made and providing instructions to the Service Recipient on the procedures for setting out Covered Batteries.

SECTION 13. ARTICLE 6, “SFD RECYCLING COLLECTION SERVICES,”

Section 6.3 heading, is amended to read as follows:

6.3 Disposition of Recyclable Material, Used Oil and Covered Batteries.

SECTION 14. ARTICLE 6, "SFD RECYCLING COLLECTION SERVICES," is amended to add the following new Section 6.3.3 to read as follows:

6.3.3 Covered Batteries

CONTRACTOR shall Recycle the Covered Batteries only with persons who are authorized by the State of California to Recycle Covered Batteries.
CONTRACTOR shall Recycle all such Covered Batteries to the extent feasible, in accordance with applicable state and federal law and at CONTRACTOR's own cost and expense.

SECTION 15. ARTICLE 6, "SFD RECYCLING COLLECTION SERVICES," is amended to add the following new Section 6.8 to read as follows:

6.8 SFD Battery Collection Service.

CONTRACTOR shall provide SFD Battery Collection Service to each SFD Service Unit in the Service Districts once every week in accordance with the following terms and conditions:

6.8.1 Manner of Collection.

CONTRACTOR shall provide SFD Battery Collection Service to all SFD Service Units whose Covered Batteries have been placed by Service Recipients in a clear quart-size plastic bag and placed on top of the SFD Service Unit's Recycling Cart. Each Service Recipient is entitled to place one clear quart-size plastic bag containing only Covered Batteries on top of the SFD Service Unit's Recycling Cart for Battery Collection Service on the same Work Day that curbside SFD Recycling Collection Service is provided to the SFD Service Unit ("Covered Battery setout").

6.8.2 Collection Day.

CONTRACTOR shall provide SFD Battery Collection Service on the same Work Day that curbside SFD Recycling Service is provided to the SFD Service Unit.

6.8.3 Duration of Service.

The SFD Battery Collection Service will commence on _____, 2026 ("Commencement Date") and terminate on June 30, 2036. Notwithstanding the foregoing, CONTRACTOR will have the option to terminate the SFD Battery Collection Service after five (5) years from Commencement Date, on the condition that GreenTeam also agrees to termination

and at least six (6) months' written notice is given to the CITY prior to _____, 2031.

SECTION 16. ARTICLE 10, "COLLECTION ROUTES," Section 10.3.2, is amended to read as follows:

10.3.2 Audit Information.

The route audits shall include the following information for each collection route:

Collection Route Information.

- The name(s), telephone number(s), and signature(s) of the persons performing each route audit;
- The route number, the date of the audit, and the starting and ending times of collection during the audit;
- A description of the route location, including the names of the streets covered;
- The number of Service Units on the route;
- The number of Service Units participating on the date of the audit and the number and type (Recyclable Material, Used Oil & Used Oil Filters and Covered Batteries) of collection;
- The number of over filled Recycling Carts;

- The number of Recycling Carts that need repair or replacement;
- The tonnage of Recyclable Material, the volume of Used Oil, the number of Used Oil Filters, and the number of Covered Batteries delivered per vehicle trip and the time of arrival and departure of each vehicle at the Materials Recovery Facility; and
- The number of collection vehicles used on the route by vehicle type (e.g., rear loader recycling truck, side-loading recycling truck), the tare weight of each vehicle, the weight of each vehicle each trip, the capacity of each vehicle by weight and volume, and the number of trips made by each vehicle to the Materials Recovery Facility.

Service Unit Information.

- Customer Service System Identification Number (Prem ID);
- Service Recipient address;
- Recycling Cart size, quantity, and if the carts require repair or replacement;
- Recyclable Material placed beside the carts;
- Overflowing and/or contaminated Recycling Carts; and
- Number of Used Oil Containers, Used Oil Filter Containers, and Covered Batteries collected.

SECTION 17. ARTICLE 17, "COMPENSATION," Section 17.7.1 (erroneously numbered), is amended to read as follows:

17.6.1 SFD Rates.

CONTRACTOR shall, subject to compliance with all provisions of this Article, receive an

annual adjustment in the following service rates as set forth in the SFD RECYCLING COLLECTION SERVICE and RESIDUE DISPOSAL ADJUSTMENT section of Revised Exhibit 1 to this Agreement:

- SFD Recycling Service, collection (line A.1)
- SFD Used Oil Collection Service (line A.2.)
- Subscription On-Premises Collection (line B.1)
- Excess Cart Exchange (line B.2)
- Large Item Collection, if applicable (line B.3)
- Hard to Serve Premise (line B.4)
- SFD Recycling Service Rates Schedule (Section II)
- Residue Disposal Reimbursement Rates (Section IV)

- Emergency Service Rates (Section V)
- SFD Battery Collection Service (line A.4 & Section VI)

SECTION 18. EXHIBIT 1, “COMPENSATION,” is amended as set forth in the REVISED EXHIBIT 1, attached hereto, and incorporated into this FIRST AMENDMENT.

SECTION 19. EXHIBIT 3, “SFD RECYCLING SERVICE OPERATIONS PLANS” is amended as set forth in the REVISED EXHIBIT 3, attached hereto, and incorporated into this FIRST AMENDMENT.

SECTION 20. EXHIBIT 8, “DATA AND REPORTING” is amended as set forth in the REVISED EXHIBIT 8, attached hereto, and incorporated into this FIRST AMENDMENT.

SECTION 21. EXHIBIT 7, “APPROVED SUBCONTRACTORS,” is amended as set forth in the REVISED EXHIBIT 7, attached hereto, and incorporated into this FIRST AMENDMENT.

SECTION 22. The Recitals set forth above are incorporated by reference into the FIRST AMENDMENT and are made part of the FIRST AMENDMENT.

SECTION 23. This FIRST AMENDMENT is effective at such time as it is fully executed by CITY and CONTRACTOR.

SECTION 24. All terms and conditions of the Agreement not specifically amended by this FIRST AMENDMENT will remain in full force and effect throughout the term of the Agreement. Nothing in this FIRST AMENDMENT alters or extends the Term of the Agreement.

SECTION 25. The headings in this FIRST AMENDMENT are for the convenience of reference only and are not to be considered in any interpretation of this FIRST AMENDMENT.

SECTION 26. This FIRST AMENDMENT has been negotiated by CITY and CONTRACTOR, reviewed by their respective counsel, and CITY and CONTRACTOR have had an opportunity to make such changes as that party wished to make. In the event an ambiguity or a question of intent or interpretation arises, this FIRST AMENDMENT shall be construed as if drafted jointly by each of the Parties hereto and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any provisions of this FIRST AMENDMENT.

SECTION 27. Each of the undersigned represents and warrants that he/she is appropriately authorized to execute this FIRST AMENDMENT and to bind the party for whom he/she is signing to the FIRST AMENDMENT. Each of the undersigned further agrees to provide a corporate resolution or other legal documentation substantiating the authority to sign on behalf of and bind that entity to this FIRST AMENDMENT.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this FIRST AMENDMENT on the respective dates below each signature.

CITY OF SAN JOSÉ, a municipal corporation

CALIFORNIA WASTE SOLUTIONS, INC., a California corporation

By:

By:

TONI TABER, MMC
City Clerk

DAVID DUONG
President

Date

Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

ROSALIA BURGUEÑO TAPIA
Attorney for California Waste Solutions, Inc.

DOUGLAS C. STRAUS

Date

Date

REVISED EXHIBIT 1

COMPENSATION

Beginning the Effective Date of this Agreement, CITY shall compensate CONTRACTOR for services performed in accordance with this Agreement at the following rates (effective Fiscal Year 2020-2021):

I. SFD RECYCLING COLLECTION SERVICES

CONTRACTOR shall be compensated for SFD Recycling Collection Services in accordance with the following table.

SFD COMPENSATION	District A	District C
A. BASE SERVICE RATES		
1. SFD Recycling Service ¹ Applicable rates determined following "II. SFD Recycling Service Rates Schedule"	\$14.31/Service Unit/Mo. (Base Level, see "II. SFD Recycling Service Rates Schedule" for applicable rate)	\$14.31/Service Unit/Mo. (Base Level, see "II. SFD Recycling Service Rates Schedule" for applicable rate)
2. SFD Used Oil Collection Service ¹	\$0.00/Service Unit/Mo.	\$0.00/Service Unit/Mo.
3. TOTAL BASE SERVICE RATE (Nos. 1. - 2.)	\$14.31/Service Unit/Mo.	\$14.31/Service Unit/Mo.
4. SFD Battery Collection Service	\$0.49/Service Unit/Mo. ⁴ (See Section VI Below)	\$0.49/Service Unit/Mo. ⁴ (See Section VI Below)
B. ADDITIONAL SERVICE RATES		
1. Subscription On-Premises Collection of all Base Service Collection Elements ²	\$36.84/Service Unit/Mo.	\$36.84/Service Unit/Mo.
2. Excess Cart Exchanges ³	\$73.79/Occurrence	\$113.48/Occurrence

¹ For a SFD Service Unit that consists of a combination of Dwelling Units and receives Garbage collection services from shared Garbage carts, CONTRACTOR's compensation for SFD Recycling Service is based on the number of Garbage carts at the Service Unit, regardless of the number of Recycling carts and compensation for SFD Used Oil Collection Service is the compensation listed regardless of the number of containers.

² This rate will be added to the Base Service Rate (line A.3) for each Service Unit receiving Subscription On-Premises Collection Services.

³ CONTRACTOR will not be compensated for (1) customer initiated Recycling Cart exchanges for District A between 0.114% and 2.807% of the average number of households in a Fiscal Year, and (2) customer initiated Recycling Cart exchanges for District C between 0.034% and 2.064% of the average number of households in a Fiscal Year. Recycling Cart exchanges below or above these ranges shall be compensated by the CITY in the June invoice. Cart exchange counts shall be rounded to the nearest whole number.

⁴ Pricing for SFD Battery Collection Service, effective starting Fiscal Year 2026-2027.

REVISED EXHIBIT 1

COMPENSATION

SFD COMPENSATION	District A	District C
3. Large Item Collection ⁵		
a. Increments of up to 3 Large Items collected	\$50.97	\$50.97
b. Each additional Large Item collected above 3 Large Items	\$16.97	\$16.97
4. Hard-to-Serve Premises ⁶	\$TBD/Service Unit/Mo.	\$TBD/Service Unit/Mo.

II. SFD RECYCLING SERVICE RATES SCHEDULE

Applicable rates based on the percentage of material not on RRFS list (RRFS defined in 16.2.3) found in recycling carts, per studies conducted once every two years.

District A	Material Not on RRFS List*	Rate	Unit
SFD Recycling Collection & Processing	0.00-19.99%	\$12.17	Service Unit/Mo.
SFD Recycling Collection & Processing discount per household for each 2% below non-RRFS material baseline due to City efforts to reduce non-RRFS material in recycling	20.00-32.99%	\$12.17, plus Additional Increment for every 2% incremental above 20%	Service Unit/Mo.
SFD Recycling Collection & Processing	33.00-34.99% (33% Base level)	\$14.31	Service Unit/Mo.
SFD Recycling Collection & Processing	35.00-36.99%	\$14.60	Service Unit/Mo.
SFD Recycling Collection & Processing	37.00-38.99%	\$14.91	Service Unit/Mo.
SFD Recycling Collection & Processing	39.00-40.99%	\$15.21	Service Unit/Mo.
SFD Recycling Collection & Processing	>40.99%	\$15.52, plus Additional Increment for every 2%	Service Unit/Mo.

⁵ CITY compensation to CONTRACTOR for Large Item Collection services. Additional items rate is effective for additional Large Items collected on the same date at the same address as the first 3 items.

⁶ CONTRACTOR will cooperate with the CITY if it chooses to implement a hard-to-serve rate for existing customers or customers located in new developments. This may include assisting the CITY in the identification of hard-to-serve areas and negotiating with the CITY in good faith to arrive at an appropriate rate for said units.

REVISED EXHIBIT 1

COMPENSATION

		incremental Above 40.99%	
Additional Increment	2% incremental	\$0.29	Service Unit/Mo.

District C	Material Not on RRFS List*	Rate	Unit
SFD Recycling Collection & Processing	0.00-17.99%	\$12.17	Service Unit/Mo.
SFD Recycling Collection & Processing discount per household for each 2% below non-RRFS material baseline due to City efforts to reduce non-RRFS material in recycling	18.00-31.99%	\$12.17, plus Additional Increment for every 2% incremental above 20%	Service Unit/Mo.
SFD Recycling Collection & Processing	32.00-33.99% (32% Base level)	\$14.31	Service Unit/Mo.
SFD Recycling Collection & Processing	34.00-35.99%	\$14.60	Service Unit/Mo.
SFD Recycling Collection & Processing	36.00-37.99%	\$14.91	Service Unit/Mo.
SFD Recycling Collection & Processing	38.00-39.99%	\$15.21	Service Unit/Mo.
SFD Recycling Collection & Processing	40.00-41.99%	\$15.52	Service Unit/Mo.
SFD Recycling Collection & Processing	>41.99%	\$15.83, plus Additional Increment for every 2% incremental Above 41.99%	Service Unit/Mo.
Additional Increment	2% incremental	\$0.29	Service Unit/Mo.

III. EXAMPLES OF EXCESS CART EXCHANGE CALCULATIONS

Recycling Cart exchanges in **District A** will be paid for up to 0.114% and over 2.807% of the average house counts.

Average house counts are the sum of the house counts from the monthly invoices divided by twelve. Jul house counts+ Aug house counts ... + Jun house counts

12

Example: total exchanges= 2,700 average house count = 93,600

REVISED EXHIBIT 1

COMPENSATION

Exchanges will be paid for, **up to** 0.114% of 93,600 = .00114 x 93600 = 107 exchanges Exchanges will be paid for, **over** 2.807% of 93,600 = .02807 x 93600 = 2627 exchanges

Pay **up to** 107 exchanges pay 107

Pay **over** 2627 → total exchanges (2700) - 2627 = 73 +73

Total paid = **180exchanges**

Payment = 180 exchanges x \$73.79/exchange = **\$13,282.20**

Recycling Cart exchanges in **District C** will be paid for up to 0.034% and over 2.064% of the average house counts.

Average house counts are the sum of the house counts from the monthly invoices divided by twelve. Jul house counts+ Aug house counts ... + Jun house counts

12

Example: total exchanges = 1,000 **average house count= 67,000**

Exchanges will be paid for, **up to** 0.034% of 67,000 = .00034 x 67000 = 23 exchanges Exchanges will be paid for, **over** 2.064% of 67,000 = .02064 x 67000 = 1383 exchanges

Pay **up to** 23 exchanges pay 23

Pay **over** 1383 → total exchanges (1000)-1383 = -383 + 0 none over

Total paid = **23 exchanges**

Payment = 23 exchanges x \$113.48/exchange = **\$2,610.04**

IV. RESIDUE DISPOSAL ADJUSTMENT

The costs associated with the disposal of SFD Recyclable Material residue at the Disposal Facility shall be deducted from the compensation to CONTRACTOR at least once every six (6) months and will be reflected in the monthly invoices.

RESIDUE DISPOSAL REIMBURSEMENT RATES	
Loose Residue Disposal at Disposal Facility	\$51.51/ton
Additional charge for baled material	\$4.00/ton ⁽¹⁾

⁽¹⁾ This additional charge for baled material is not adjusted by RRI.

REVISED EXHIBIT 1

COMPENSATION

V. EMERGENCY SERVICE RATES

CITY shall compensate CONTRACTOR for services performed in accordance with this Agreement at the following rates.

Labor Position or Equipment Type	Make & Model	Hourly Rate
and fully automated side loader	Peterbilt 320 -McNeilus 30yd Street Force	\$187.97
and Knuckleboom Loader	Peterbilt 335 - 22 foot stake	\$171.72
Driver and Cart Delivery Truck	Ford 450 - CNG	\$169.03
Supervisor and Pick-Up	Chevy 2500 - CNG	\$138.55
Driver CDL Class B	N/A	\$96.95
Laborer	N/A	\$74.90

VI. SFD BATTERY COLLECTION SERVICE RATES

CITY will pay CONTRACTOR a one-time, up-front payment of \$1,000,000.00 for SFD Battery Collection Service program start-up costs. Payment shall be made within thirty (30) days after the FIRST AMENDMENT to the Agreement is fully executed. SFD Battery Collection Service will begin with a compensation of \$0.49 per household per month. From _____, 2026 through _____, 2031, CITY will pay CONTRACTOR a minimum of \$0.49 per household per month. If the Annual Average Weekly Participation Rate exceeds 5%, compensation will be increased, as follows:

Annual Average Weekly Participation Rate¹	Battery Collection Fee	Battery Disposal Surcharge	Total Compensation per Household per month
5.01% to 6.00%	\$0.40	\$0.15	\$0.55
6.01% to 7.00%	\$0.47	\$0.15	\$0.62
7.01% to 8.00%	\$0.54	\$0.15	\$0.69
8.01% to 9.00%	\$0.60	\$0.15	\$0.75
9.01% to 10.00%	\$0.67	\$0.15	\$0.82

¹ For Annual Average Weekly Participation Rates higher than 10%, the formula to calculate the Battery

**REVISED EXHIBIT 1
COMPENSATION**

Collection Fee is $\$1.55 \times \text{Annual Average Weekly Participation Rate Rounded Up to the Nearest Whole Number} \times 52 \div 12$.

Starting _____, **2031**, compensation will be determined as follows:

Annual Average Weekly Participation Rate¹	Battery Collection Fee	Battery Disposal Surcharge	Total Compensation per Household per month
0.00% to 1.00%	\$0.07	\$0.15	\$0.22
1.01% to 2.00%	\$0.13	\$0.15	\$0.28
2.01% to 3.00%	\$0.20	\$0.15	\$0.35
3.01% to 4.00%	\$0.27	\$0.15	\$0.42
4.01% to 5.00%	\$0.34	\$0.15	\$0.49
5.01% to 6.00%	\$0.40	\$0.15	\$0.55
6.01% to 7.00%	\$0.47	\$0.15	\$0.62
7.01% to 8.00%	\$0.54	\$0.15	\$0.69
8.01% to 9.00%	\$0.60	\$0.15	\$0.75
9.01% to 10.00%	\$0.67	\$0.15	\$0.82

¹ For Annual Average Weekly Participation Rates higher than 10%, the formula to calculate the Battery Collection Fee is $\$1.55 \times \text{Annual Average Weekly Participation Rate Rounded Up to the Nearest Whole Number} \times 52 \div 12$.

REVISED EXHIBIT 1

COMPENSATION

Compensation rates identified above will be adjusted annually based on the Refuse Rate Index, which is calculated in the manner set forth in the Agreement.

CONTRACTOR will calculate the Quarterly Average Weekly Participation Rate by the following formula: Quarterly Average Weekly Participation Rate = Number of Covered Battery setouts Collected During the Quarter / (Number of Single Family Dwellings in CONTRACTOR's Collection Districts x Number of Weeks in the Quarter). CONTRACTOR will track and provide actual numbers on a quarterly basis of stops it makes to collect batteries. For example, in Q1 of Fiscal Year 26-27, if CONTRACTOR collected 105,000 Covered Battery setouts, and there were 162,000 single family dwellings in CONTRACTOR's Collection Districts and 13.2 weeks in the quarter, the Quarterly Average Weekly Participation Rate would be $105,000 \div (162,000 \times 13.2) = 4.91\%$.

At CITY's sole option, it may audit CONTRACTOR's Participation Rates by exercising the following: (1) ride along on CONTRACTOR's trucks for a period of time to observe the counting of the number of stops, and/or (2) conduct a statistically significant study of a representative sampling of the neighborhoods served by CONTRACTOR. If the Parties are unable to agree on the Participation Rates, the Parties will meet to discuss and attempt to reach a mutually acceptable resolution. If one cannot be reached, the Parties will retain a JAMS or AAA arbitrator for three (3) hours to resolve the limited issue of the appropriate calculation of Participation Rates based on a five (5) page maximum written submission by each Party.

Compensation will be determined annually in January for the following fiscal year, which begins on July 1 of each year. The Annual Average Weekly Participation Rate will be calculated by taking the average of the four most recent Quarterly Average Weekly Participation Rates. For fiscal year 2027-2028, compensation will be calculated by taking the average of the Quarterly Average Weekly Participation Rates available as of January 2027.

END OF REVISED EXHIBIT 1

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

The SFD RECYCLING SERVICE OPERATION PLANS included below have been carried over from the 2006 Agreement. Where conflicts exist between the Plans and the Agreement, the Agreement shall prevail.

This EXHIBIT 3 sets out the current operational plans for CWS and may be subject to reasonable revisions by CWS over time and as circumstances dictate, to conform to changing conditions, incorporate new operations, techniques and practices, or to address other operational issues, that are consistent with this Agreement.

- A. Diversion (Page 3 of 40)
- B. Public Education and Outreach (Page 4 of 40)
- C. Customer Service (Page 5 of 40)
- D. Collection Operations (Page 7 of 40)
- E. Processing Operations (Page 16 of 40)
- F. Collection Equipment (Page 39 of 40)
- G. Employee and Labor Relations (Page 40 of 40)

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS



California Waste Solutions
Recycling & Waste Management

City of San José

Recycle Plus Agreement for Recycling Services

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

DIVERSION

CWS' compliance with its diversion requirements will be determined as specified in the Agreement.

In order to receive diversion credit for processed materials, CWS must meet the requirements specified in the Agreement.

Recycling Awareness Training

CWS is a recycling company and as such places an emphasis on recycling starting with the set out at the curb. Although CWS will train its employees on proper recycling, the City is responsible for outreach activities to reduce contamination of recyclables by garbage and other unacceptable materials.

CWS will use route auditors or Supervisor's to train and assist drivers to provide notice to and work with residents who place prohibited material in their recycling carts.

TIMOTHY MRF IMPROVEMENTS

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

PUBLIC EDUCATION AND OUTREACH PUBLIC EDUCATION

- The City is responsible for outreach activities associated with the Recycle Plus program, and will invest significant resources to these outreach activities. City will develop meaningful performance metrics, with input from CWS to ensure the effectiveness of these outreach efforts.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

CUSTOMER SERVICE

Customer service involves the front line interaction of our collection crews and our customer call center.

CALL CENTER

CWS currently operates a customer call center for San Jose for the Recycle Plus contract, and our Customer Service Technicians are trained to treat callers with the utmost professionalism. CWS uses the Tower software system or a comparable system, including the customer service package, and will develop the data interface between Tower or a comparable system and the City's Consolidated Utility Billing System (PeopleSoft RM) in accordance with the requirements of the agreement.

It takes skill to make the most difficult caller feel that the interaction has been positive; an outcome that could reduce repeat calls. To achieve customer satisfaction, the Customer Service Representatives will be trained to respond with best practices. A Customer Call Center Manager will continually motivate the Customer Service Technicians to provide optimal customer support in a courteous, helpful, and solution-oriented manner.

The Customer Service Department in San José will be staffed by staff members adequately trained to handle calls coming in from Districts A and C. CWS will cross train other office staff that are members of the approved bargaining unit to assist with CSR duties as necessary and CWS will have access to bargaining unit qualified casual pool workers to assist in providing additional staffing as needed.

CURRICULA

Training will be on-going to continually improve and streamline processes. CWS will review and develop training material on safety, recycling awareness, substance abuse, equipment review, obstacle course driving, customer service, sexual harassment, diversity, GPS, routes, and mechanics.

SYSTEMS

Systems have been installed and tested and the Customer Service Representatives completely trained on them. CWS have completed upgrades to the existing customer center with the necessary number of phone lines, adequate broadband internet access, and any required modifications to the CWS customer service software system. This equipment will allow the Customer Service Representatives to look up addresses and provide immediate information on collection day, large item collection appointments and C-UBS work order information.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

CWS' Customer Service System allows for expanded reporting, incoming calls may be tracked by type, location, and date and service route. These reports will enhance CWS' ability to refine services. With assistance from software engineers, CWS will develop an interface with the C-UBS system to meet the reporting and coordination requirements in the Service Agreement. The systems will be modified and tested and the Customer Service Representatives completely trained.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

COLLECTION OPERATIONS VEHICLES

The planned numbers of collection and support vehicles are provided in Tables 2 and 3 below. As described more fully below in the Collection Equipment Plan, CWS will use a single collection vehicle with a single-compartment body. These vehicles will be operated by a single driver with the required level of California driver's license and who meets all other federal, State of California and CWS requirements. The routes for these collection vehicles will be developed using GIS-based, RouteSmart™ route optimization software currently owned by CWS. Routes will be adjusted for balance during the initial operating period; specifically with regard to load size and the goal of keeping the current day assignments.

The driver will be provided with specific route path maps, driving instructions and customer sequence lists.

Table 2
Daily Collection Vehicles

Type	Districts A and C
Collection Vehicle	38
Large Item Collection Vehicle	6
Supervisor Pick-up	4
Cart Vehicle	2

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

**Table 3
Back-up Collection Vehicles**

Type	istricts A and C
Collection Vehicle	6
Large Item Collection Vehicle	1

Staffing requirements necessary to collect recyclables from Districts A and C are shown in Table 4. Reserve staffing will be available on a part-time basis as necessary.

**Table 4
Recycling Collection Staffing Requirements**

Position Description	istricts A and C	Reserve Staff (%)
Collection Vehicle Operator	38	18
Large Item Vehicle Operator	* As Necessary	
Supervisor/ Route Auditor	3	
Cart Vehicle Operator	2	18
Total	43	

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

USED OIL

Used oil containers and oil filters will be stored on racks under the collection vehicle body. These leak proof racks with oil absorbent pads on the bottom will hold 24 one-gallon oil containers. They will be sized to store a full day's collection and unloaded at the vehicle storage yard. The used oil containers will empty into a 3,000 gallon tank in secondary containment. An oil filter crusher will extract remaining oil from the filters that will also be recycled. The oil filters will be sent to an approved recycling facility. The extracted oil will be added to the oil collection tank.

LARGE ITEMS

CWS will have a vehicle to collect large items in response to call-in requests. Routes will be developed daily and trucks will be staffed by qualified drivers as required. The number of collection and support vehicles is provided above in Tables 1 & 2.

Potentially reusable or recyclable items will be inspected and categorized by the facility staff, segregated, graded and prepared for shipment. Preliminary arrangements were discussed with Goodwill Industries to take usable items such as furniture, tools, recreational equipment and other items. Usable construction materials, dimensional lumber, plywood sheets, sinks, toilets, etc. will be taken for reuse. Other hazardous wastes from appliances, such as mercury switches and capacitors, will be sent for proper treatment or disposal. All items and materials that are not reusable or directly recyclable will be disposed of in an environmentally safe and regulated manner.

If the City of San José establishes a Reuse Center, CWS will provide the City with the right of first refusal for all usable items.

COVERED BATTERIES

CWS will provide curbside collection of Covered Batteries from SFD Service Units in accordance with the Agreement. Covered Batteries shall consist only of those battery types specifically identified in the Agreement.

Covered Batteries shall be collected on the same Work Day as regularly scheduled SFD Recycling Service. Service Recipients shall place Covered Batteries in a sealed clear resealable quart-size plastic bag and place the bag on top of the Recycling Cart for collection.

Collection drivers will visually inspect bags prior to collection. CWS will not collect bags that contain materials other than Covered Batteries, bags that are not sufficiently translucent to permit inspection of contents, or materials otherwise not accepted under the Agreement. Non-collected materials may be left at the Service Unit with a Non-Collection Notice identifying the reason collection was not made and providing general instructions regarding proper set-out procedures.

Covered Batteries collected pursuant to the program will be segregated from other collected materials during collection, transport, storage, and processing in accordance with applicable law and the Agreement. Covered Batteries may be stored in appropriate containers at CWS facilities pending shipment for recycling.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

Covered Batteries collected through the program will be transported to and recycled by appropriately authorized and permitted recycling or handling facilities in accordance with applicable federal, state, and local requirements.

CWS may modify operational procedures, vehicle configurations, storage practices, routing, handling methods, and related operational activities from time to time as reasonably necessary to promote safety, operational efficiency, regulatory compliance, or program effectiveness, provided such modifications remain consistent with the Agreement.

Battery Collection Recording Process

1. End-of-Route Tally

- **Count Bags:** Drivers count the Covered Batteries bags collected and any NCNs concerning batteries.
- **Log Numbers:** Drivers write the number of batteries bags on their daily route report.
- **Verify Form:** Drivers sign the cover sheet to verify the bag count accuracy.

2. End-of-Day Data Entry

- **Submit Sheets:** Drivers submit report about battery collection.
- **Input Data:** Admin staff compiles report information of battery bag counts and NCNs.

3. System Reporting

- **Daily Reports:** Battery bag reports are compiled.
- **Weekly Reports:** Battery bag counts are updated weekly.
- **Monthly Reports:** Battery bag counts are updated monthly. Monthly report should include total numbers and gross weight of bags collected. CWS will contact the battery contractor to schedule removal of batteries. Battery bag count and gross weight will be included in monthly report to the city.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

MATERIALS DISPOSITION

Collected materials will be marketed and otherwise directed as shown in Table 5 below.

Table 5

Disposal Arrangements with Facility Locations

Material	Disposal Facility Name	Location	Facility Type	Rate (Per Ton)
Mixed Fiber	Domestic & International Markets		Warehouse	Market Value
Mixed Plastics	Domestic & International Markets		Warehouse	Market Value
Aluminum Cans	Domestic & International Markets		Warehouse	Market Value
Tin/Bimetals	Schnitzer Steel	11665 Berryessa Road San Jose, CA 95133	Warehouse	TBD
Glass	Strategic Materials, Inc.	2960 Farrar Avenue, Modesto, CA 95354	Warehouse	TBD
Scrap Metal	Schnitzer Steel	11665 Berryessa Road San Jose, CA 95133	Yard	TBD
Sharps	Revolt Recycling LLC	657 143 rd Avenue San Leandro, CA 94578	Warehouse	TBD
Used Oil	Safety-Kleen	1147 N. 10 th Street San Jose, CA 95112	Warehouse	TBD
Used Oil Filters	Safety-Kleen	1147 N. 10 th Street San Jose, CA 95112	Warehouse	TBD
Large Items	Zanker / Premier Recycle	705 Los Esteros Rd. San Jose, CA 95134 260 Leo Ave., SJ 95112	Yard	TBD
Appliances	Zanker/ Premier Recycle	705 Los Esteros Rd. San Jose, CA 95134 260 Leo Ave., SJ 95112	Yard	TBD
Freon, CFC	Zanker/ Premier Recycle	705 Los Esteros Rd. San Jose, CA 95134 260 Leo Ave., SJ 95112	Warehouse	TBD
Electronics	Revolt	,657 143 rd Ave San Leandro, CA	Warehouse	TBD
Tires	David Rally Wheels	1991 Alum Rock Avenue San Jose, CA 95116	Warehouse	TBD

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

CRTs	Zanker/ Premier Recycle	705 Los Esteros Rd. San Jose, CA 95134 260 Leo Ave., SJ 95112	Warehouse	TBD
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EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

Material	Disposal Facility Name	Location	Facility Type	Rate (Per Ton)
Batteries	Revolt	657 143 rd Ave San Leandro, CA	Warehouse	TBD
Antifreeze/Coolant	Revolt Recycling LLC	143 rd Avenue San Leandro, CA 94578	Warehouse	TBD
Propane/ Helium Tanks	Revolt Recycling LLC	143 rd Avenue San Leandro, CA 94578	Yard	TBD
Hazard Waste	Revolt Recycling LLC	143 rd Avenue San Leandro, CA 94578	Warehouse	TBD

OFFICE AND YARD LOCATIONS

The CWS corporate headquarters and management staff for the Recycle Plus Program are located at 1005 Timothy Drive, San José, California 95133. The collection vehicle storage yard is located at 1120 Berryessa Road, San José, CA 95133.

OPERATIONS SCHEDULE

It is anticipated that collection vehicles and large item vehicles will be unloaded twice per day, or as necessary.

PHYSICAL EXAMINATIONS

CWS has physical examination requirements for collection employees and prospective employees. These are designed to protect workers and provide assurance that collection employees are capable of meeting the strenuous demands of this job. Specific requirements are contained in the CWS Physical Examination Policy. The responsibility for managing these requirements rests with the CWS Human Resources Manager.

SUBSTANCE ABUSE

CWS maintains a drug-free workplace and requires drug screening for employees and prospective employees. These screenings are designed to protect employees and provide assurance to CWS that its employees are meeting the drug free policy. Responsibility for managing these requirements rests with the CWS Human Resources Manager aided by individual supervisors and line managers as noted in the policy.

The CWS policies on physical examinations and drug testing meet all federal and State of California requirements.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

VEHICLE MAINTENANCE AND REPAIR

CWS when necessary utilizes CWS vendor as a 3rd party service vendor. This site is more than five acres, with ample room for staging equipment prior to delivery with a 8-bay maintenance facility. The service and parts departments are open from 7:30 a.m. to 6:30 p.m. Monday thru Friday; with parts also open on Saturday morning. In addition, CWS vendor has outside repair capabilities with their thoroughly outfitted mobile maintenance trucks.

During the contract period, CWS will perform oil changes and other preventive maintenance functions on the schedule provided by the equipment manufacturers and CWS vendor. The goal of the CWS fleet maintenance approach is to minimize unscheduled repairs. CWS will perform maintenance activities on a scheduled basis in keeping with fleet operation Best Practices.

Road service will be performed by CWS vendor, and CWS. Estimated response time will be a maximum of 60 minutes for replacement in the southern portion of Districts A. Should a breakdown occur while a vehicle is in service, the operator will notify the CWS Collection Supervisor who will generate a Service Order. This will be transmitted from CWS to CWS vendor to fix the vehicle. Replacement collection vehicles will be dispatched by CWS from the vehicle storage yard and specific time for any replacement will be determined by breakdown location and traffic conditions. The number of spare collection vehicles and other vehicles required for each proposed option are shown in Table 2.

Road service tires for CWS vehicles will be provided through the maintenance Service Order system. CWS estimates that the tire service response time will be a maximum of 60 minutes for replacement response from each District.

Maintenance records will be kept on all vehicles by CWS.

Major item repair records will be generated and maintained by CWS and the CWS vendor performing the repair. These repair records will be maintained by CWS so that the Collection Supervisor has a complete file on each vehicle to aid in predicting availability and anticipating related issues.

Collection vehicle cleaning will be done at the CWS Collection Vehicle Yard using a portable pressure washer system at a frequency necessary to maintain good vehicle operation and appearance. Individual drivers are responsible for keeping cabs clean as part of their daily post trip inspection.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

MECHANICAL SUPPORT

CWS has mechanics to operate the light duty vehicle shop for minor maintenance such as oil changes, replacement of air filters, hoses, and repairs to brakes, tires, and other vehicle repairs.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

PROCESSING OPERATIONS

This Processing Operations Plan sets out the operational and contingency plans for the CWS facility at 1005 Timothy Drive, San José, California. It may be subject to reasonable revisions by CWS management over time and as circumstances dictate, to conform to changing conditions, incorporate new operations, techniques and practices, facilitate the acceptance of materials from other sources, or to address other operational issues. Revisions to the Processing Operations Plan are subject to review and approval by the City of San José in accordance to Article 8 of the Agreement.

CWS and ESD have developed criteria to be used in selecting Alternative Processing and/or Storage Facilities for processing materials when the Timothy Drive MRF is unable to fully process the incoming materials. City pre-approval is required prior to use of any alternative facility. CWS will not load materials from the tip floor into transport or storage containers without prior written authorization from the City Representative

CWS is committed to labor peace and will maintain collective bargaining agreements with its local unions and/or ensure that not less than the prevailing wage is paid at all times for all classes of non-exempt workers

FACILITY

ACCESS

Days & hours of operation:

The normal processing operations day shift days and hours are 24 hours per day Monday through Friday. The facility closes for three holidays during each year: Thanksgiving, Christmas and New Year's Day. From time to time, it may be necessary to add time or days to shift operations. The facility is permitted for processing 24 hours per day for increased flexibility. Shift hours will not be changed without an amendment to the operations plan

Based on need and permit limitations, the facility may also be opened for processing, administrative activities and outbound materials transport only during earlier or later hours on Monday through Friday, or on designated Saturdays.

Days and hours of materials receipt:

Materials collected are typically received at the facility Monday through Friday between the hours of 6:00 a.m. and 7:00 p.m. The facility is permitted to accept materials during these same hours on Saturdays.

Days and hours of materials departure:

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

Materials are typically shipped at the facility Monday through Friday between the hours of 6:00 a.m. and 7:00 p.m. The facility is permitted to ship materials during these same hours on Saturdays.

MAINTENANCE

INTERNAL

Processing plant:

Internal facility maintenance largely consists of keeping the floor and related work areas free of excessive amounts of debris. Special attention is given to keeping walkways clear. Given the nature of materials recovery operations, the presence of a certain amount of debris on the floor is unavoidable. At a minimum the floor is swept once per shift, at the end of each shift. Beyond this set schedule, additional sweeping may occur when upon visual inspection the Plant Manager or Plant Supervisor determines that the level of debris buildup presents an unsafe situation, in which case operations may be stopped to clear walkways.

Additionally, the floor may also be swept when there is equipment or other operational downtime.

The facility is equipped with a misting system for control of dust and odor. Primary maintenance of this system consists of clearing clogs as needed. Spare nozzles are kept on site to do immediate repairs. A contractor is brought in as needed to do overall system cleaning and check-up.

Administrative offices and employee rest areas:

Once daily, a contracted janitorial service cleans all restrooms, empties all waste receptacles, mops the employee break room floor, and vacuums building carpeting.

EXTERNAL

Litter:

CWS strives to prevent litter from migrating off-site through the following actions:

- On-site Collection - CWS utilizes a sweeper that circulates around the main drive area at a minimum of once daily, no later than the end of the first shift. Additional circulations may be required under windy conditions, precipitation is expected or there is a high level of vehicle traffic generating additional litter.
- Gate Control – An automatic rear gate controlled by a remote control maintained in the scale house prevents litter from blowing outside the fence line.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

- As a general rule, the gate automatically opens/closes when trucks are entering/leaving the yard. The gate will remain closed when there is no truck traffic.
- The scale house operator has a clear view of the gate, and will allow for ingress and egress of trucks as needed.
- The areas surrounding storm drains are included in the regular exterior sweeping schedule. Also, weather conditions direct additional efforts related to litter around storm drains. During the summer, particularly during windy conditions, drains may be covered with plastic to protect them from litter. During rainy weather, litter tends to stick to the ground and not blow or migrate. Storm drains are cleaned and inspected on the regular basis required by storm drain management regulations.

The following actions address off-site litter:

- CWS employee(s) are dedicated to continuously patrolling the building inside, yard internal and external perimeter as well as the neighboring property along Yard Court and Timothy Drive during the daytime operating hours.
- Each employee assigned to this responsibility is directed to pick-up any observed litter near the CWS facility.

Landscaping:

Exterior landscaping consists of grass, ground cover and trees. Grass is watered daily with an automatic sprinkler system. A contracted gardening service maintains all exterior landscaping bi-weekly.

Building Appearance:

CWS regularly monitors the condition of the building exterior and has contractors immediately available to paint and repair as needed.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

EQUIPMENT INVENTORY

The following equipment in Table 6 is in use at the Timothy MRF. Equipment will be replaced as necessary and appropriate.

Table 6 Processing Equipment

Equipment Type	Age (years)
50 Caterpillar Loader, 8 cubic yard capacity	2004
1 928G Caterpillar Loader, 4.5 cubic yard capacity	2003
1 908 Caterpillar Loader, 1.4 cubic yard capacity	2019
Machinex, single-stream sorting system, Pellenc optical sorters and Bollegraaf material feeding hoppers rated at 50 tons per hour	2002, 2007 and 2016
2 Enterprise double ram baler	Purchased 1/06
5 Forklifts, Toyota 5,000 pound lifts, One with rotating forks	2002
5 Forklifts, Toyota 5,000 pound lifts	2012
2 Forklifts, Toyota 5,000 pound lifts	2019
1 Forklift, Toyota 5,000 pound lifts	2016
3 Lindy Forklifts	Purchased 1/06
Lay-Mor Sweeper	2002
Debris boxes and bins for recyclables	Various ages

The Machinex single-stream sorting system was purchased new and consists of many components including the following equipment:

- Two inclined infeed conveyors
- Two Presort conveyors with 22 sorting station
- Five fiber rigid sorting screens
- Sorting conveyors
- The main sorting platform has 25 sorting stations
- A container sorting line with 5 sorting stations

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- An eddy current separator
- A four compartment container bunker
- An aluminum bunker
- Five bunkers for temporary storage of OCC and other fibers and trash
- Glass fines bunker
- The two balers referenced above

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PLANT SPECIFICATIONS

Plant equipment specifications are listed below.

PRODUCTION CAPACITY

Overview

CWS' single-stream equipment is rated at 50 tons per hour (TPH) with a clean single-stream of materials. A clean single-stream is defined as 10% or less non-recyclable material present in incoming material. This equipment, which includes two belts, is typically run at a combined average speed of approximately 45 TPH. Belt speed may be adjusted as necessary by the Plant Manager and/or Plant Supervisor based on the quality of incoming material.

These decisions are relative and based on the staffing level at a specific point in time, and quality/composition of the materials, which may vary by load on a daily basis. Factors that influence the speed, and therefore system capacity may include, but not be limited to materials' moisture content, amounts of materials that must be removed, and residual content (more or less than 10%).

Belt Speed

Belt speed determines the amount of material processed through the system.

If belts are moving too fast, the material balls up and rollback occurs. In a "rollback" situation, material gets hung up in an area of the conveyor and does not break free. The material on the bottom of the ball comes out very thin, and material approaching the ball only adds to the ball. Belt speed is adjusted to avoid this problem, and allow material to flow smoothly through the plant.

Based on the condition and content of incoming materials, the Plant Supervisor and/or Plant Manager determine(s) and direct(s) the speed at which belts run, as well as the amount of material loaded onto infeed belts, two critical determinations that are important in managing the process. This allows materials to spread out on the presort lines, rendering most major contaminants, scrap metals and corrugated cardboard visible to the materials classifiers who are working on the presort line. Note that presort lines move faster than infeed lines, so that materials do not move down the presort lines at the same height at which they are loaded onto the infeed belts.

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Examples of factors that influence belt speed determinations include, but may not be limited to:

- Presence of contamination above 10%
- Material moisture content
- Material compaction or fluffiness
- System overload
- Screen(s) efficiency in separating the material
- Consistency in flow
 - Screen(s) overload Balers

There are two double ram balers installed in the MRF that can operate at the rate of 25 tons per hour each.

Maintenance

Preventive maintenance is done on a regularly scheduled maintenance program as outlined by the manufacturer. Each piece of equipment has specific continual and periodic requirements. The manufacturers, Machinex, Pellenc and Bollegraaf, have forms for each piece of equipment describing the actions to be taken and a schedule for those actions. These forms are filled out as maintenance occurs and they are maintained in the CWS archives.

Training

Employees are trained in facility and equipment operation commensurate with job responsibilities. Training includes procedures for plant start-up and shut-down, material classification, safety, hazardous materials recognition, and emergency procedures.

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MATERIAL RECOVERY

STAFFING

Table 7 presents the typical number, types, and primary responsibilities of regular day and evening shift employees. The evening shift is subject to change according to material volumes.

Table 7 Staffing

Title	Day Employees	Evening Employees (if needed)	Primary Job Responsibilities
Plant Manager	1		Oversee all plant activities and personnel
Supervisor	1	1	Supervise facility operations
Scale House Operator	1	1	Supervise & conduct scale house operations; control litter gate
Forklift/Sweeper Operator	3	3	Operate the forklift and keep inside gates clear of litter
Loader Operator	2	2	Operate the wheel loader in the materials unloading area
Baler Operators	1	1	Operate balers
Sorters	30*	26	Sort materials on the processing conveyors
Litter Patrol Monitor	1	Reassigned as needed	Keep premises, streets and neighboring business clear of litter
Bale Cleaners	1	1	Prepare bales for market

* Of these, 12 sorters are stationed on the pre-sort lines, 6 per line.

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WORK SCHEDULE

Materials receiving and processing related activities may generally be conducted in work shifts that may include staggered start times. From time to time, it may be necessary to extend shift operations. In these instances, a work schedule and staffing will be defined according to need and required duration. The Plant Manager will determine overtime and supplemental shift construction. It should be further noted that break and lunch times are approximate and subject to adjustment according to workflow and plant conditions. The Plant Manager and Supervisor are responsible for notifying employees of deviations in this schedule. No advance notice is required.

Overtime:

From time to time, overtime work may be required to compensate for processing time lost due to plant shutdowns, equipment and utility services failures, or belt slow-downs due to delivery of highly contaminated materials and resulting tipping floor back-up. The Plant Manager makes the decision to operate and authorize overtime, based on the volume of materials on the tipping floor and prognosis for keeping the floor adequately cleared from day to day. In cases where the need for overtime is identified, the Plant Manager is authorized to approve it only for the period necessary to clean the tip floor or catch up from a close-down.

It should be noted that as management staff, the Plant Manager does not have a defined schedule. The person in that position is present during the day shift, but may also work additional hours as needed.

PROCESSING

A narrative description of the materials recovery process is provided below.

MATERIALS IDENTIFICATION

The term Materials as herein used refers to:

Program Materials:

CWS is required to follow the City of San José programs with regard to required material recovery.

Material(s) not included in the program may be extracted at the discretion of CWS. Other recyclables, not covered by the Recycle Plus program, are listed in the Agreement.

LOAD SCREENING

CWS' goal is to have all loads contain no more than 10 percent residual garbage. Residual garbage refers to all material remaining after program materials have

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been removed. CWS has extensive experience with the presence of hazardous and prohibited wastes detected in San Jose's recycling materials.

Employees assigned to the tipping floor are trained to evaluate loads as they are brought in and deposited on the tipping floor. Additionally, management is on the tipping floor on a regular basis. If an unacceptably bad load, or portion thereof, is suspected, the loader operator is directed to notify a supervisor through the use of plant radios. In addition, personnel on the pre-sort line remove any hazardous or prohibited wastes remaining in the recyclables.

One tool used for evaluating incoming loads is the 10 percent visual guideline provided by the California Integrated Waste Management Board (CIWMB). The image was adapted from CIWMB LEA Advisory Number 58 (Revised April 18, 2003), and is available on-line at: (<http://www.ciwmb.ca.gov/LEAAdvisory/58/default.htm>), Attachment 2A, Comparison Chart for Estimating Percentage Composition. CWS has adapted this visual as a tool to provide a comparison of the percent contamination in a load of solid waste.

LOAD ASSESSMENT

Upon visual inspection before unloading or when the material is deposited on the ground, CWS makes an assessment of the load. The assessment is based primarily upon visual observations of the load. CWS personnel will observe the load for indicators of the presence of prohibited materials, such as container shapes or labels. Prohibited materials include materials that are not on the City of San José's list of recyclable program materials, including garbage and hazardous materials.

Either the loader operator or a spotter will conduct this assessment. Workers must exercise caution and use safety precautions when observing loads from the rear of the vehicle. If necessary, the driver will be instructed to wait before discharging the load. This observation can be made from a distance and from the side of the vehicle. The spotter should be constantly aware of other incoming vehicles and equipment.

If a prohibited material is suspected, the spotter will instruct the driver to not discharge the load until a further investigation is conducted, or will secure the area around the deposited material until the material can be safely returned to the tipping floor or placed in a container for off site disposal. Based upon that assessment, CWS personnel may segregate partial or full loads as follows:

- Rejection of the entire load
- Redirect truck to alternative unloading area

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- Load is partially unloaded before rejecting the remainder of the load
- Entire load is unloaded

LOAD REJECTION:

An entire load is subject to rejection if it contains garbage far in excess of the ten percent contamination level, hazardous wastes, medical wastes, radioactive wastes, or other prohibited wastes that are observed when the hopper is raised. If the loader operator or spotter deems that the contamination is so extensive that separation of acceptable materials would be too time intensive or dangerous the entire load is rejected. If the load has not been dumped, the driver will be instructed to close the hopper and move the truck to a designated area to await further instructions. If the load has been dumped, the material will be inspected and either processed or placed in containers for off-site disposal under conditions and in a facility appropriate to the material. An example would be the presence of drums containing hazardous wastes.

Prohibited wastes include hazardous, medical, radioactive, or other materials that this facility is not permitted to process. Although this assessment is only for a small portion of the load, the presence of significant amounts of these materials would make the acceptability of the entire load questionable. In such an instance, the driver will be instructed to close the hopper and move the truck to a designated area to await further instructions. These instructions could range from directing the vehicle to another disposal facility or to await the arrival of regulatory agency emergency response personnel.

LOAD REDIRECTION:

A filled or partially filled delivery truck is subject to redirection to an alternative loading area, such as at the western end of the tipping area, if an additional content evaluation effort is deemed necessary. Redirection may occur when the load appears to contain contamination above 10 percent or the presence of hazardous or other prohibited materials is suspected. This redirection allows for an extended sorting operation without impacting on incoming vehicles. When time allows, the operator attempts to remove the worst materials from the load. Hazardous, medical or other prohibited wastes are to be removed and handled according to permit requirements prior to pushing the inspected material onto the conveyor.

PARTIALLY UNLOADED REJECTION:

If a prohibited material is suspected when the load is partially discharged, the supervisor may instruct the driver to cease discharging and close the tailgate. Personnel can reject a load or partial load based upon a suspicion that prohibited materials are present. For example, the presence of drums with hazardous

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waste labels and liquid contents are cause for rejection without verifying that hazardous wastes are contained in the container. In such cases, the subject truck will be directed to follow the CWS' protocol for handling, transporting and disposing of hazardous materials. The unloaded portion will either be processed or a portion of the load will be sent to the container for contaminated material.

ENTIRELY UNLOADED REJECTION:

CWS may elect to unload the entire contents of the compartment even if significant contamination is observed. The entire load may be loaded on the conveyor for processing or the loader operator may cleave off a portion of the load. This removed portion will be loaded into a debris box or other container. CWS will seek to minimize the loss of recyclable materials but given the imprecise nature of the loader, this removed portion may contain some recyclable program materials. The containerized material will either be processed later if there is sufficient time and capacity, or the load will be disposed of off-site.

NOTIFICATION

CWS' plant manager or his/her designee will notify the driver, route supervisor and designated City representative when an unacceptably contaminated load arrives and it is determined that the load will be or should be rejected. This notification will occur as soon as the determination is made. Route supervisor shall confer with driver and route auditor so as to find the source of the contamination and implement an education campaign to promote clean recyclables.

SORTING

CWS strives to process material in the most effective and efficient manner, segregating final marketable product, MSW, and hazardous waste. Materials may be baled or bulk shipped depending upon the available market. Material is typically processed on a first-in, first-out basis so that specific material is not on site longer than 48 hours.

Once materials are dumped on the tipping floor the typical sorting process is as follows:

- Facility personnel will scan the materials for the presence of hazardous and other prohibited wastes including tires, cylinders, hoses, wood, metal, concrete, and large items. These materials will be removed to the appropriate storage location.
- Materials are loaded onto two infeed conveyor belts that transport them up to two pre-sort conveyor lines.

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- Pre-sort activities are designed to separate cardboard, scrap metals, textiles, film plastic, prohibited wastes, and municipal solid waste (MSW). Sorters remove these items from the conveyor line and place them in chutes to the designated bunker or in containers. This is the primary point for removal of large items and difficult to handle items.
- Remaining materials from the presort flow into a series of sorting machines with fiber rigid screens that mechanically separate newspaper and mixed paper from other materials such as plastic containers and aluminum cans.
- Separated paper goes to a final sort line for removal of any residual MSW and maybe sorted to various marketable commodity levels.
- Mixed paper and newspaper are consolidated into bunkers and when enough of either material is available, it is directed onto one of the two baler infeed conveyors for baling.
- Recyclable materials from the paper reclaiming process go onto a transfer conveyer, where they are then taken to the container sort line.
- The container sort line is designed to separate three types of plastics, aluminum cans, ferrous metal scraps and cans, textiles, trash and glass.
- Ferrous metals, aluminum, and plastic types are accumulated in their respected bunkers until enough of each respective material type has accumulated for baling or bulk shipment.
- Each material is then directed onto a baler infeed conveyor for baling or is deposited in a container for bulk shipping.
- Glass is directed to a glass sort line where it is stored in bunkers. It is then loaded into end-dump trailers for sale. CWS has received a grant from CIWMB to subsidize the cost of the machinery needed to process glass bottles and jars to a greater degree.
- Baler productivity varies by material type and is dependent on the physical properties and quantity of each material being baled.

HAZARDOUS AND OTHER PROHIBITED WASTE

Once the incoming materials are unloaded on the receiving area and throughout the sorting process, any potentially hazardous or other prohibited wastes that are detected will be removed from the incoming materials and placed in the designated staging area. As necessary, or at the end of each day's shift, collected hazardous or prohibited wastes will be moved to the designated outside storage area.

Hazardous wastes include those materials deemed to be hazardous pursuant to federal, state, or local requirements. Typical characteristics of hazardous wastes include toxicity, corrosivity, flammability, and reactivity. Examples may include: lead acid batteries, cathode ray tubes,

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compressed gas containers, used oil and filters, solvents, paints, and pesticides. Containers that meet the regulatory definition of “empty” are not considered hazardous. Many of these prohibited wastes are diverted as recyclable materials.

The determination of a hazardous waste is based upon visual observations of containers and labels. If suspicious odors or reactions are observed, personnel will utilize caution when investigating the material and follow its hazardous waste protocol.

MEDICAL WASTES

Prohibited medical waste includes those materials deemed as regulated medical waste and certain non-regulated wastes. Non-regulated medical wastes can include sharps, needles, and other items from sources exempt from regulation such as households. Regulated medical waste could include biohazardous or infectious wastes from the treatment of humans or animals, and materials used in research or testing that contain body fluids.

SOLID WASTES

Any prohibited municipal solid waste detected in the incoming material, either at the tipping area on the presort line, will be removed. Rejected materials are placed either into a storage container or designated bunker. Prohibited solid wastes include any putrescible and non-putrescible solid and semisolid waste material, including garbage and rubbish and any other non-program materials that are not accepted into the City-designated recycling cart.

STORAGE

CWS contains material in a lawful manner and strives to do so as effectively and efficiently as possible. Permitted storage areas are designated on site maps that have been approved by the City of San José and are a part of the Conditional Use Permit, Fire Permits, and the Hazardous Materials Business Plan. The types of materials received and processed at the facility are not expected to contain materials that produce significant odors.

Potential nuisances are eliminated or minimized by thoroughly cleaning the station, prompt loading of wastes into containers or trailers, transferring the wastes to the landfill within forty-eight hours, and implementing litter control programs. A dust suppression system is installed in the unloading area. This system also serves to reduce potential odors and may be used in conjunction with an odor suppressant or neutralizer. The processing area is typically cleaned of potentially odorous material on a nightly basis.

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INCOMING RAW MATERIAL

Material is typically processed according to a first-in, first-out (FIFO) model. CWS is not currently processing material from any other jurisdiction in its San José MRF and all materials are therefore accounted for as being from San Jose

Prior to any future CWS acceptance of any materials other than those collected through San Jose's Recycle Plus program, the City and CWS will determine a protocol for creating and maintaining separate documentation and reporting consistent with the City's AB 939 reporting requirements.

Unprocessed materials that have not been transported up to the pre-sort line remain on the tip floor overnight. The following morning, unprocessed materials are moved from the back of the tipping floor area to the front of the tipping floor area, to insure that it is processed in a timely fashion (the "front" of the tipping area is defined as the area near the pit conveyers and the "back" is defined as the area towards the loading dock). A concerted effort is made to clear all conveyor belts of materials by the end of the shift. All residual wastes received during an operating day shall be removed from the site within 48 hours of arrival.

OUTGOING PRODUCT AND RESIDUE

Bales of paper, aluminum and other metals, plastic, textiles, and other recyclable materials are stored awaiting transport to offsite facilities. Stored bales must be placed so that there is a minimum of three feet clearance from the facility walls. Walkways between bales will be at least 44 inches wide. Outside storage areas have been authorized by a conditional use permit and subsequent amendments with no outside bale storage located within 10 feet of the property line.

Outgoing Residue is staged near the back area of the tipping floor, under the canopy, awaiting pickup. It is then hauled to a landfill or alternative disposal facility that meets all environmental regulations. Bales will be stored in accordance to a high pile permit from the Fire Prevention Bureau. Areas designated for bale storage are noted on the Site Plan.

HAZARDOUS WASTE

Any hazardous materials removed from incoming materials will be stored in the designated area. Materials deemed as hazardous waste must be labeled with the contents and accumulation date. Once sufficient quantities are accumulated, CWS will contract with a hauler or a transporter to schedule a removal. Records of these removals will be retained on site for at least three years.

DISRUPTIONS

Significant disruptions may occur in several ways, including:

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- Failure of equipment due to introduction of non-recyclable materials, non-compliant (non-programmatic) materials (e.g. large metals, chemicals, etc. getting into the system)
- Failure of equipment due to normal operating stresses that may be avoided by preventive maintenance or may occur in spite of appropriate preventative maintenance measures
- Hazardous materials incidents
- Regulatory actions
- Fires, earthquakes, floods, labor actions, etc.
- Loss of markets, shipping capacity, fuel, power, etc.

RESPONSE

Significant disruptions in processing ability detrimentally impact the company's operations, marketing, labor relations and customer relations. Such disruptions may also cause recyclables to be reduced in value or lost to contamination.

CWS will notify the City Representative within two hours of any significant event that negatively impacts its ability to process materials

CWS regards any disruption of more than four hours to be significant. One of the first tasks of the Plant Manager in evaluating a processing disruption is to determine the probable duration of the disruption. The criteria by which the impact of the disruption is to be judged are as follows:

- Level of hazard associated with the disruption and its cause
- Probable duration of the disruption
- Available space on the tipping floor relative to amount of material anticipated during the probable duration of the disruption
- Available outlets for the current and anticipated inventories of processed and unprocessed materials during the disruption

Mitigation of the disruption begins immediately upon its discovery. If the situation presents a hazard or permit violation situation, CWS will take all prudent action. The order of priority in handling materials in a processing disruption is as follows:

- If the disruption does not allow for partial operation of the sorting system and there is more than four hours of storage available on the tipping floor, then store unprocessed materials on the tipping floor to its capacity
- If the disruption is significant but partial and processing throughput will be reduced but not ceased, reschedule processing to allow for longer hours at lower throughput sufficient to process all materials

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- If there is insufficient space on the tipping floor for storage then contact City Representative to request permission to ship materials to CWS' Alternative Processing Facility
- If the alternative processing facility is unable to accept the material, then contact City Representative to request permission to ship to a second approved Alternative Processing Facility

EMERGENCIES

Emergency response situations may occur at the facility. Potential emergency situations would include power outages, natural disasters, fire, and hazardous materials releases. CWS has implemented emergency response procedures. During an emergency, the designated emergency coordinator for the shift initiates the evacuation procedures by activating the emergency alarm or horn. The shift supervisor is responsible for notifying emergency services and starting the emergency procedures. Additionally, if as a result of an emergency storm drains are threatened by discharge the, openings are covered with a plastic cover.

Emergency coordinators and shift supervisors receive periodic training on emergency response. Each shift periodically practices evacuation drills.

Emergency incidents are recorded in the Log of Special Occurrences required for solid waste facilities.

BASIC RESPONSE

Whenever there is an indication of imminent or actual emergency situation, the following steps are taken:

- Designated emergency coordinator conducts an assessment of the nature and extent of the emergency
- If determined necessary, emergency communications are activated to instruct employees to evacuate the facility
- Facility shut-down procedures are initiated if necessary
- Emergency response agencies are notified as appropriate and identified in the CWS Emergency Response Plan
- Facility emergency personnel take appropriate measures to resolve the situation or minimize the spread to other parts of the facility
- If storm drains might be impacted by any emergency release, specified personnel seal off the potentially impacted drains. Storm Drain emergency response protocols are contained in storm drain management documentation

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Prior to commencing operations after an emergency situation, designated management personnel will assess the facility to ascertain that the hazard has been mitigated.

Designated management personnel will review the incident and determine if any changes to the emergency procedures are necessary.

CWS' MRF at 3300 Wood Street in Oakland has been proposed as the primary Alternative Processing Facility if in the case of an emergency or any other unavailability of the Timothy Drive facility. Upon approval, the secondary Alternative Processing Facility would be CWS' MRF at 1820 Tenth St., Oakland. On or before June 30 of each year, CWS will propose an Alternate Processing Facility and a secondary Alternate Processing Facility. City will utilize the agreed upon criteria in deciding whether to approve the facilities. Once approved, the designation will be valid for one year. However, CWS will still be required to obtain written permission to use the Alternate Facilities on an as needed basis.

EQUIPMENT

The following equipment is available for responding to emergencies:

- Fire extinguishers are located throughout the facility
- Emergency eye wash stations
- First aid kits
- Stormwater spill carts containing
 - Absorbent
 - Spill pillows
 - Spill boom
 - Personal protective equipment
 - Baking soda absorbent for battery storage area
 - Storm drain cover
- Radios for emergency communication
- Personal protective equipment

In addition, loaders and other site equipment can assist with emergency response efforts.

TRAINING

Training for emergency response situations will be commensurate with an employee's responsibility. Employees will be directed that they are not to

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respond to any emergency situation where they are not comfortable. Training topics will include:

- Evacuation procedures
- Assessment of response situations
- Facility shutdown procedures
- Use of fire extinguishers
- Spill prevention and response
- Personal protective equipment
- Notification of emergency agencies
- Cleanup and mitigation of spills

Records of employee training will be documented and maintained.

TRANSPORTATION

Traffic entering the facility property can generally be classified into three types: Incoming loads of unprocessed materials, outgoing loads of processed materials, and personnel, visitors and tradesmen arriving and leaving the facility grounds.

Since this site is private property, only vehicles belonging to people with business with CWS are authorized to park in the designated parking areas. If an unauthorized vehicle is inappropriately parked it may be subject to towing.

The facility is capable of handling approximately 36 collection trucks at any one time. This consists of the following as depicted in the Site Plan (Appendices). It should be noted that parking of vehicles other than designated trucks is not allowed in this area.

- Seven trucks queuing behind the 70' entrance scale
- One truck on the 70' entrance scale
- Six trucks unloading on the unloading area
- Twenty-two trucks queuing in the parking spaces at the northeast side of the property

INBOUND TRUCK TRAFFIC

Trucks bringing unprocessed materials to the facility constitute the greatest impact on the facility in terms of traffic, noise and hazard. All of these trucks are to enter the facility grounds from Timothy Drive and are instructed to approach the facility from the south end of Timothy and not to turn onto Timothy from Mabury. Once on site, collection trucks proceed to the 70' entrance scale. After

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being weighed, collection trucks maneuver to the unloading area to discharge materials.

OUTBOUND TRUCK TRAFFIC

Trucks arriving empty to remove processed materials are usually 18-wheel tractor-trailer combinations or roll-off trucks. These trucks shall enter the facility from Timothy Drive and proceed to the designated area within the site for loading. The 18-wheel tractor-trailer combinations shall weigh in and out on the scale closest to Timothy Drive and shall exit onto Timothy Drive turning left only. Roll-off trucks may exit on Yard Court as they are likely to be pointing in that direction.

TRUCK QUEUING

Trucks traveling to CWS Timothy Drive facility are not permitted to queue in the streets. At any time when the truck queue appears to be approaching the entrance, the loader operators and the scale operators are to direct trucks on the scales to the back staging area of the facility until the queue clears.

TRUCK STAGING

Trucks staged at the back of the facility will back into their parking spots and remain until instructed by authorized facility personnel to proceed to the scales (if they have not been weighed) or to the tipping floor (if they have been weighed) to continue their unloading sequence. In general, the facility operates on a first-in first-out basis.

CLOSING AND NOTIFICATIONS

If for any reason truck staging is overflowing and no room is available for the trucks to dump, materials delivery trucks will be turned away and the gate closed. In the unlikely event that such a closing should occur or appears imminent, CWS will notify all drivers immediately and request that they keep their trucks on the routes until the jam is cleared at the facility.

PASSENGER AND LIGHT COMMERCIAL VEHICLE TRAFFIC

Personnel, tradesmen and visitors will almost exclusively enter the facility from Timothy Drive and are not proscribed from turning right when exiting onto Timothy. With clearance from responsible company personnel, tradesmen may enter the Yard Court gate.

HAZARDOUS WASTE TRANSPORT VEHICLES

Only authorized haulers are utilized for removal of any recyclable hazardous, universal, and any other wastes from the facility. CWS will be contractually

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responsible for arranging for the disposal of prohibited wastes. CWS will retain documentation on the removal of these wastes.

PERMITS AND LICENSES

A listing of site and operational permits and licenses is provided below:

- Solid Waste Facility Permit, 43-AN-0024
- Conditional Use Permit, City of San Jose, CP 01-12-108
- Building Permit, City of San Jose – Application submitted
- Occupancy Permit, City of San Jose
- Environmental Protection Identification Number CAL000266187
- Hazardous Materials Business Plan, City of San Jose, Bureau of Fire Prevention
- Hazardous Waste Generator Permit, County of Santa Clara, Department of Environmental Health
- Combustible Material Storage Permit, City of San Jose, Bureau of Fire Prevention
- Places of Assembly Permit, City of San Jose, Bureau of Fire Prevention
- Air Pressure Tank Permit, District of Occupational Safety and Health,
- Industrial Storm Water General Permit Order 97-03-DWQ, State Water Resources Control Board, Facility WDID No. 2431026763 and 2431026765

CERTIFICATIONS

Facility scales are certified by Santa Clara County according to their standards and methodology. The County schedule is to certify annually.

REPORTING

CWS will provide all reports as required in the Service Agreement and in conformance with Exhibit 8 of the City's Recycling Plus Services Agreement.

SALES AND MARKETING PLAN

CWS has been in the business of operating MRFs for more than 25 years. The company's principals have been in the business for more than 25 years and the combined recycling industry experience of the five key managers is more than 120 years. All these years of experience, however, are not enough to ensure that recyclables get recycled both for the highest and best use and for the highest dollar value if that experience is not continuously updated.

As a recycling company, CWS has always derived significant revenues from commodity sales. Because of the uncertainty of markets and the company's reliance on those uncertain returns, the company's principals have committed to

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work with all markets -- but especially emerging foreign markets – to ensure that while the rest of the industry may be experiencing radical fluctuations in price and demand, CWS can always move materials.

Now more than ever, the ability to sell Recyclable materials in foreign markets is critical to the success of any recycling endeavor, as we see increasing stringent standards on acceptable material from China and other markets. Through extensive and regular visits to Asian commodity end users and through his own brokering business, CWS' president, David Duong, makes sure that CWS' recyclable materials move.

CWS' marketing model has a wide array of tools so the recyclable material moves during both high and low demand cycles. CWS relies on long-term supply contracts, aggregation of orders from multiple plants, brokerage, off-site storage, and is in an Associate Partnership with a paper mill in Vietnam for fiber products. Through these techniques, CWS distinguishes itself as a leader in the secondary recyclable materials supply market in the western United States.

Among the recyclable materials CWS markets are:

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- Newspaper (6-8)
- Telephone books (#1)
- Mixed paper (1)
- NCR computer paper
- Carbon computer paper
- Laser computer paper
- Laser-free computer paper
- White ledger paper
- Colored ledger paper
- Card stock
- Boxboard furnish
- Coated white overruns
- News scrap
- Glass bottles and jars in three colors
- Aluminum cans
- Aluminum foil
- Non-ferrous scrap
- Tin, steel, bi-metal cans
- Ferrous scrap
- PET clear
- PET colored
- HDPE natural
- HDPE colored
- Mixed plastics 3-7
- Injection molded HDPE of miscellaneous types
- LDPE natural film
- LLDPE films
- HDPE films
- Specialty polymers
- Wood
- Textiles
- Lead acid batteries
- Tires
- Compressed gas cylinders
- Inerts (glass fines for ADC, asphalt, concrete, dirt, rock, brick)
- White goods and small appliances
- E-waste including CRTs and integrated circuit boards
- Used motor oil
- Used motor oil filters

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COLLECTION EQUIPMENT

The number of collection vehicles and support vehicles for recycling collection in Districts A and C are provided in Table 1 and 2 in the Collection Equipment Plan. The staffing requirements necessary to collect recyclables are shown in Table 3. The specific plans for this equipment are provided in the following paragraphs.

COLLECTION VEHICLES

CWS collection vehicles meets all the requirements of the agreement.

A single collection vehicle with a single-compartment body is assigned to collect recyclables from each route. These trucks will be automated side-loaders with low-level hoppers to facilitate manual loading of items such as extra materials and separately-bagged textiles. The specifications for the collection vehicles selected are:

- Chasses: Peterbilt 320 single-steer, right-hand sit-down
- Bodies: McNeilus, StreetForce, 31 cubic yard

These trucks are equipped with engines that meet the California Air Resources Board Heavy Duty Engine Standards as proposed to be in CCR Title 13, Section 2021 et seq, and the Federal EPA Highway Diesel Fuel Sulfur regulations. Some of the vehicles have low-entry cabs with stand up right-hand drive. Some collection vehicles will be equipped with enclosed racks to hold empty used oil containers, full used oil containers, and oil filters lined with oil absorbent pads. These features minimize the effort by the operators when they leave the cab to service bagged materials, on-premise collection and disability collection. This produces the advantage of increasing operator efficiency, lowering the potential for fatigue and injury and lowering overall operational costs.

All the CWS collection vehicles and collection support vehicles are equipped with radio frequency identification (RFID) units and global positioning system (GPS) location equipment. The RFID allows the collection vehicles to be positively identified as they enter processing and/or disposal facilities so that the scale systems can maintain tare weights for each vehicle. This reduces queuing requirements and speeds collection vehicle turnaround at this facility. The GPS system allows CWS to track the location of each collection vehicle in real time. This capability assists in assuring that CWS crews minimize missed collections and facilitate the Route Supervisors ability to provide the quality assurance for collection and provide support needed for the crews. The collection vehicles are painted with the San José logo graphic.

EXHIBIT 3

SFD RECYCLING SERVICE OPERATIONS PLANS

For large item collection, CWS may use flat bed open body trucks with lift gates for loading.

CARTS

The RFP indicated that the number of damaged carts averaged 14,412 units for Fiscal Year 2004-2005. These were divided between garbage and recycling at 8,448 and 5,964 respectively. In addition, the RFP indicated that the growth is 750 new stops per year. Each of these new stops will require a garbage cart and a recyclables cart. CWS, for planning purposes, has assumed that the distribution of the new and replacement carts by size will follow the size and color distribution presented in the RFP. CWS has made arrangements to purchase the recyclable carts from the OTTO Environmental Systems. CWS has an established relationship with OTTO based on the purchase of 40,000 Otto carts for the roll out of the single-stream curbside program in Oakland.

These carts will meet all the requirements of the agreement.

CWS will maintain several months of cart inventory to ensure that sufficient inventory is maintained at all times. These carts will be delivered to the CWS Vehicle Yard.

CWS has a single cart repair and replacement vehicle to service the carts in Districts A and C. This vehicle is equipped with storage containers for storage of spare parts for all the different carts. The parts carried includes wheels, axles, nuts, and lids. The vehicle is sufficient in size to accommodate the carts needed for replacement service orders for the day, based on the data provided in the RFP for new placements, repairs and replacements.

UNION RELATIONS

CWS currently has employees represented by Teamsters Local 70, Teamsters Local 350, ILWU Local 6, and Machinists Local 1546. The company has four separate collective bargaining agreements and excellent relations with all unions. We are willing and able to respect and work cooperatively with all unions and all employees, whether working under collective bargaining agreements or not.

REVISED EXHIBIT 7

APPROVED SUBCONTRACTORS

The subcontractors listed below are hereby approved by CITY as to the scope of work specified for each listed subcontractor. CONTRACTOR may employ additional subcontractors only with the prior written approval of the Director as to the subcontractor(s) and the scope of work to be performed by the subcontractor(s).

Name of Company/Firm	Address	Area of Responsibility
Premier Recycle	260 Leo Avenue San Jose, CA 95112	SFD Large Items Processing
GreenWaste Zanker Resource Recovery Facility	705 Los Esteros Road San Jose, CA 95134	SFD Large Items Processing

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I. DAILY COLLECTION DATA

CONTRACTOR shall compile data on a daily basis and report the following information monthly by electronic format within ten (10) calendar days of the end of each month following the month in which the service was completed.

CONTRACTOR shall provide data in the format approved or provided by the City Representative.

A. Load Data for Recycling and Used Oil Collection Services

For Recyclable Materials, Used Oil and Used Oil Filters, CONTRACTOR shall provide data for each load collected and delivered to the Materials Recovery Facility. Data shall include, at a minimum, the following information:

1. Name of the Materials Recovery Facility receiving load
2. Weight tag number (unique, non-repeating number)
3. Date of collection
4. Day of week collected
5. Date delivered to the Materials Recovery Facility
6. Time of arrival at facility
7. Truck number
8. Net weight of load (in tons)
9. Route number(s)
10. District(s) serviced
11. Number of set-outs
12. Number of Used Oil Containers collected
13. Number of Used Oil Filter Containers collected

B. Load Data for Large Item Collection Services

For Large Item Collection Service, CONTRACTOR shall provide data for each load collected and delivered to the Materials Recovery Facility. Data shall include, at a minimum, the following information:

1. Name of Materials Recovery Facility receiving load

REVISED EXHIBIT 8
DATA AND REPORTING

2. Weight tag number (unique, non-repeating number)
3. Date of collection
4. Day of week collected
5. Date delivered to the Materials Recovery Facility
6. Time of arrival at facility
7. Truck number
8. Net weight of load (in tons)
9. District(s) serviced
10. Number of scheduled set-outs collected (in billable units, up to 3 Large Items per set-out)
11. Number of items collected (by type: white goods-CFC, white goods-other, brown goods, mattresses, furniture, upholstered furniture, E-Waste, other)

C. Non-Collection Notice Data

In addition to any other reporting obligation under this Agreement, CONTRACTOR shall provide data for each Non-Collection Notice issued. Data shall include, at a minimum, the following information:

1. NCN work order number entered in Customer Service System (unique, non-repeating number)
2. Date issued
3. Day of the week issued
4. Route number
5. Recipient address
6. Service District
7. Reason for Non-Collection (codes and definitions of codes to be provided by CITY)

D. Courtesy Notice Data

CONTRACTOR shall provide data for each Courtesy Notice issued for the purpose of providing City with information for use in its public education, outreach and enforcement efforts. Data must include, at a minimum, the following information:

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1. Date issued
2. Total number of notices issued

E. Cross Jurisdictional Vehicle Use Data

In the event that Recycle Plus vehicles are providing services outside of San Jose or for non-Recycle Plus Program activities, or if non-Recycle Plus Program vehicles are used inside San Jose for Recycle Plus Program activities, CONTRACTOR shall report vehicle origin, vehicle number, jurisdiction used, and date of use.

F. MISSED COLLECTIONS

CONTRACTOR shall provide data for all reported and non-reported missed pick-ups for each service type (garbage, recycling, yard trimming). Missed pick-ups of oil jugs and/or filters and missed pick-ups of Covered Batteries shall be counted as a recycling missed pick-up. Data shall include, at minimum, the following information:

1. Address of each missed collection. If half-street or whole street missed collection, contractor shall provide a starting and ending range of addresses for each street missed
2. Date of each missed collection
3. Date collection was completed
4. Quantity of carts/bins/jugs (per address or address range)
5. Overall missed collection rate per collection day
 - a. Ex: Monday, Garbage: 10 missed collections/10,000 carts on-route= 0.10% missed collection rate (MCR)

G. SFD BATTERY COLLECTION SERVICE

CONTRACTOR shall provide data for each Covered Battery setout it collects from SFD Service Units in the Service Districts. Data shall include, at minimum, the following information:

1. The date each Covered Battery setout was collected
2. The route from which each Covered Battery setout was collected

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DATA AND REPORTING

II. PROCESSING DATA

CONTRACTOR shall report monthly by electronic format within ten (10) calendar days of the end of each month following the month in which the service was provided, all data described in Articles 6 and 8 of this Agreement, including the following:

A. Recycling, Used Oil, and Used Oil Filter Processing

CONTRACTOR shall provide processing data for Recyclable Materials and Used Oil and Used Oil Filters. Data shall include, at a minimum, the following information:

1. Tons of Recyclable Materials processed (by commodity)
2. Tons of residue that is delivered to the Disposal Facility
 - i. Name of the Disposal Facility receiving load
 - ii. CONTRACTOR weight tag number (unique, non-repeating number)
 - iii. Disposal Facility weight tag number (unique, non-repeating number)
 - iv. Date delivered to Disposal Facility
 - v. Time of arrival at facility
 - vi. Truck number
 - vii. Net weight of load (in tons)
 - viii. Material type (San Jose residential recycling Residue)
3. Gallons of Used Oil processed
4. Tons of Used Oil Filters processed
5. Material sales information:
 - i. type of material
 - ii. buyer
 - iii. date purchased
 - iv. tons shipped
 - v. price
 - vi. invoice number
 - vii. weight tag number

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- viii. freight cost
 - ix. number of bales
 - x. total revenue
-
- 7. Processing Equipment Breakdown Report (for significant events)
 - i. date of breakdown
 - ii. type of equipment
 - iii. duration of breakdown
 - iv. reason for breakdown
 - v. impacts, if any, to processing operations
 - vi. mitigation measures taken to avoid similar breakdowns
 - 8. Rejected Loads Report
 - i. date
 - ii. time
 - iii. route number (if known)
 - iv. estimated percentage of load rejected
 - v. tons rejected
 - vi. final disposition of material

B. Large Item Processing

CONTRACTOR shall provide processing data for Large Items. Data shall include, at a minimum, the following information:

- 1. Number of items received by type (CFC white goods, other white goods, brown goods, mattresses, furniture, upholstered furniture, E-Waste, other)
- 2. Tons collected
- 3. Tons material reused
- 4. Tons material Recycled
- 5. Tons disposed

III. CUSTOMER SERVICE PERFORMANCE

CONTRACTOR shall submit detailed performance data of customer service activity for all incoming calls to haulers customer service center per Work Day

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DATA AND REPORTING

and shall include a monthly summary of all calls received with at minimum the following data:

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1. Total calls received
2. Total customer service representatives available
3. Number of calls on hold for 10.0 minutes or more (cumulative hold time for call)
4. Calls abandoned after 10 minutes or more on hold
5. In-call hold abandon rate (% of calls received)
6. Average delay time (first ring until customer speaks to a customer service representative in mm:ss format)

IV. DATA RECONCILIATION

CONTRACTOR shall compare the CITY's Service Unit data with the CONTRACTOR's Service Unit data and resolve all discrepancies within thirty (30) calendar days of receipt of CITY's Service Unit data. Reconciliations shall be completed annually by March 15 of each year and shall include reconciliation of premise ID, service address, cart type, cart size, and any special services (on-premise, disabled on-premise). CONTRACTOR shall notify CITY ten (10) Work Days prior to commencing the data reconciliation, by requesting Service Unit data from the CITY's Customer Service System. The CITY shall provide data within ten (10) Work Days of the request. If a large number of discrepancies are discovered during the data comparison, the CITY may defer resolution of discrepancies until the next annual route audit. CONTRACTOR may choose to replace their Service Unit data with CITY Service Unit data instead of conducting a data comparison. CONTRACTOR shall replace their data with CITY provided data within five (5) Work Days of data receipt, and notify CITY when complete.

V. REPORT REQUIREMENTS

A. Monthly Reports

CONTRACTOR shall submit Monthly Reports within ten (10) days of the end of each calendar month. The Monthly Report shall follow the report format requested by the City Representative.

B. Quarterly Reports

CONTRACTOR shall submit Quarterly Reports within thirty (30) days of the end of the previous calendar quarter. The Quarterly Report shall follow the report outline below, focusing on analysis and narrative of quarterly activity, with trend comparisons to previous quarter and same quarter of previous year, if applicable.

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C. Annual Reports

CONTRACTOR shall submit Annual Reports on or before February 15th for the previous calendar year. The final report covering the last six months of service under this Agreement shall be submitted by August 15th following the end of service. Annual Reports shall follow the outline below, with analysis and narrative to cover the reporting year activity.

D. On-Request Reports

1. Strike Contingency

If CONTRACTOR'S employees are represented by a collective bargaining unit, CONTRACTOR shall detail how normal operations will be maintained if a labor strike should occur. The Strike Contingency Plan shall include, but not be limited to, the steps to be taken to have replacement labor to maintain operations, to maintain facility security, to protect non-union personnel and the public, and a point of contact or spokesperson for media relations.

2. Additional Customer and Operation Information

From time to time, CITY may request additional information in order to evaluate a potential redesign of the Recycle Plus Program services including, but not limited to the following:

a. Routes by Service Type

- Number of routes per day;
- Types of vehicles;
- Time on route(s) (collection, transport, and downtime);
- Crew size per route;
- Number of full time equivalent (FTE) routes; and
- Number of accounts per route.

b. Personnel

- Organizational chart;
- Job classifications and number of employees (e.g. administrative, customer service representatives, drivers, supervisors, educational staff);
- Wages by job classification;
- Number of full-time equivalents (FTE) positions for each job

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classification; and

- Number of hours per job classification per year.

c. Productivity Statistics

- Number of Service Units per day per route;
- Representative number of setouts per day per route of actual data or based on annual route audit; and
- Average tons per day per route.

d. Large Item/E-Waste

- Tonnage by Large Item and E-Waste service;
- Number of Large Item pick-ups and E-Waste pick-ups during each month of the most recent 12-month period;
- Disposal tonnage;
- Diversion tonnage, listed by vendor or Processing site;
- Number of stops serviced by a third-party re-use vendor;
- List of re-use vendors collecting reusable items; and
- Number and type of vehicles used to perform the collections, average route hours per week; number of personnel and average labor hours per week during a one-month period.

3. Regulatory Compliance for Vehicles

CONTRACTOR shall provide the CITY Representative with copies of any documentation demonstrating compliance with the following regulatory requirements:

- a. Clean air vehicle regulations as set forth in Section 11.3.3
- b. Registration, licensing, and inspection as set forth in Section 11.3.8
- c. Vehicle certification as set forth in Section 11.5

E. Report Outline for Quarterly and Annual Reports

The following provides an outline of the Quarterly and Annual Report requirements. The purpose of the reports is to provide an analysis of activities and significant events, including service delivery, CONTRACTOR performance, waste stream analysis, commodity prices, and community outreach and relations.

REVISED EXHIBIT 8
DATA AND REPORTING

REPORT OUTLINE

SECTION I - DATA

A. Collected Tonnage

This section shall include analysis of tons of Recyclable Materials collected and apparent trends and causes for any tonnage changes.

B. Residue Tonnage Disposed

This section shall include analysis of residue levels at the MRF, and apparent trends and causes for any tonnage changes.

C. Recyclable Tonnage Collected and Sold

This section shall focus on detailed analysis of the Recyclable Materials collected and sold (by major commodity), diversion, apparent trends and causes, and any challenges in the marketing of material.

D. Commodity Prices and Revenue

This section shall focus on detailed analysis of the recyclable markets and sales activity, apparent trends and causes.

E. Large Item Collection

This section shall focus on detailed analysis of the Large Item collection program, diversion, and apparent trends and causes. Additional analysis shall be provided on the following specific program aspects:

- Number of items collected by type (white goods-CFC, white goods-other, brown goods, mattresses, furniture, upholstered furniture, E-Waste, other)
- Tons collected
- Material reused (tons and type)
- Material Recycled (tons and type)
- Tons disposed

F. Used Oil and Used Oil Filter Collection

This section shall include analysis of amounts of Used Oil and Used Oil Filters collected and apparent trends and causes for any significant changes.

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G. Non-Collection and Courtesy Notices

This section shall focus on detailed analysis of Non-Collection and Courtesy Notice activity, by the dates issued, and apparent trends and causes for any significant changes.

H. Missed Collections

This section shall focus on detailed analysis of the number of missed collections, apparent trends and causes and possible remedies.

I. Cart Activity

This section shall focus on detailed analysis of Recycling Cart activity; apparent trends and causes for significant changes; and approximate quantities, by size, of CONTRACTOR's inventory of Recycling Carts available for deliveries, repairs and exchanges.

J. Customer Calls

This section shall focus on detailed analysis of customer service activity, apparent trends, major issues and causes. Additional analysis shall be provided on specific service requests and complaint calls and shall include a summary of all calls received. To the extent possible, specific details on Customer Service Representative performance, training, and hiring shall be provided. CONTRACTOR shall include any trends in call center performance and actions taken to correct deficiencies.

K. SFD Battery Collection

This section shall state the number of Covered Battery setouts collected during the reporting period. For quarterly reports, CONTRACTOR shall calculate and report the Quarterly Average Weekly Participation Rate per Revised Exhibit 1, Section VI.

SECTION II - ROUTE AUDITS

In this section, CONTRACTOR shall include the route audits conducted during the quarter and the findings from the route audits. This section shall include all of the route audit information required in Article 10 of this Agreement.

SECTION III - VEHICLE INFORMATION

A. Vehicle Inventory and Compliance Reports

B. Vehicle Mileage Report

C. Vehicle Maintenance/Preventative Maintenance Activity

D. Status of State Inspection Requirements

REVISED EXHIBIT 8
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E. Alternative Fuel Vehicle (AFV) Usage and Performance

1. Monthly AFV Reports shall include the following information:
 - Biodiesel and Natural Gas purchase documentation, including blend information (e.g., B20, B50, etc.)
 - Biodiesel and Natural Gas usage information including gallons
 - Quantity of vehicles operating on biodiesel and Natural Gas
2. Quarterly AFV Reports shall include the following information, if applicable:
 - Discussion of Biodiesel and Natural Gas performance; including but not limited to, average fuel economy, issues with power and speed, and any unusual noise or fumes.
 - Operational issues
 - Maintenance issues
 - Fuel supply issues
 - Analysis and narrative of results from testing the use of alternative fuels in collection vehicles
3. In addition to the above, Annual AFV Reports shall include:
 - Summary of Quarterly Reports
 - Emissions ratings
 - Grant status
 - Fuel purchase and delivery documentation

SECTION IV - SIGNIFICANT EVENTS

This section shall discuss any significant events occurring in the organization.

SECTION V - CALENDAR

A. Reports Delivered This Quarter

B. Reports Due Next Quarter

END REPORT OUTLINE
END OF REVISED EXHIBIT 8