

ITEM 5.2

CITY MANAGER'S REPORT MAY 13, 2024 CITY COUNCIL REGULAR MEETING

ITEM: **FIVE (5) YEAR AMENDED AND RESTATED CONTRACT FOR RESIDENTIAL AND COMMERCIAL SOLID WASTE COLLECTION AND DISPOSAL**

RECOMMENDATION: **Adopt Resolution Approving a Five (5) Year Amended and Restated Contract for Residential and Commercial Customers Between City of Lathrop and Lathrop Sunrise Sanitation Corporation and Authorize Rate Adjustments for Fiscal Year 2024-2025**

SUMMARY:

The Lathrop Municipal Code Section 8.16.090 gives the City the exclusive right to contract for the collection and transportation of garbage within the City limits under such terms and conditions as it deems necessary for the public health, safety and well-being of the residents of the City of Lathrop.

Since 1995, the City has contracted with Lathrop Sunrise Sanitation Corporation who have consistently provided the City with good quality, low-cost solid waste collection and disposal services, in compliance with state recycling and organic waste regulations. Furthermore, with each contract renewal with Lathrop Sunrise Sanitation Corporation, language has been updated to add or modify services based on the needs and requirements of the City.

The term of the existing agreement ends June 30, 2024. Lathrop Sunrise Sanitation Corporation submitted a proposal for a five (5) year contract extension that would become effective July 1, 2024 and would expire on June 30, 2029. Staff has reviewed the proposed terms and drafted the proposed Amended and Restated Contract ("Contract") to restate the terms of the agreement.

Council has the option of entering into an Contract with Lathrop Sunrise Sanitation Corporation. The proposed Contract with Lathrop Sunrise Sanitation Corporation would provide the community with services and benefits beyond what most solid waste handling contracts offer. For the past 20 years, Lathrop Sunrise Sanitation Corporation has continued to have long-standing positive involvement in our community. Additionally, Lathrop Sunrise Sanitation Corporation is one of the few haulers in this region that owns and operates their own landfill, including a state-of-the-art organics processing facility. Not all haulers offer organics processing at the same facility as their landfill. Staff believes Council approval of the proposed Contract, which includes the lowest fees in the region, would greatly benefit the Lathrop community.

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BACKGROUND:

The Lathrop Municipal Code Section 8.16.090 gives the City the exclusive right to contract for the collection and transportation of garbage within the City limits under such terms and conditions as it deems necessary for the public health, safety and well-being of the residents of the City of Lathrop.

Below is the agreement history for the collection and transportation of solid waste since Lathrop’s incorporation in July 1989:

Effective Date	Hauler / Company Name	Term of Agreement
June 1, 1990	Lathrop Environmental Services, Inc.	Entered into a 7 year long-term Agreement beginning June 1, 1990, with renewable language clause for an additional 3 years
January 3, 1995	Lathrop Sunrise Sanitation Corporation	Assumed 60-day assignment of the 1990 Agreement between the City and Lathrop Environmental Services, Inc., as approved by probate court proceedings
March 21, 1995	Lathrop Sunrise Sanitation Corporation	Entered into a 5-year Agreement beginning April 1, 1995 with renewable language clause
June 15, 1999	Lathrop Sunrise Sanitation Corporation	Entered into a 5-year Agreement beginning July 1, 1999 with renewable language clause
October 21, 2003	Lathrop Sunrise Sanitation Corporation	Entered into a 5-year Agreement beginning July 1, 2004 to June 30, 2009 with renewable language clause
July 1, 2009	Allied Waste Services of North America LLC (dba, Allied Waste of Lathrop Sunrise Sanitation Services Corporation)	Entered into Amendment #1, a 5-year extension to the 2003 Agreement, running July 1, 2009 to June 30, 2014 with renewable language clause
July 1, 2014	Lathrop Sunrise Sanitation Corporation (a division of Republic Services)	Entered into Amendment #2, a 5-year beginning to the 2003 Agreement, running July 1, 2014 to June 30, 2019 with renewable language clause
July 1, 2019	Lathrop Sunrise Sanitation Services, Inc.	Entered into Amendment #3, a 5-year beginning to the 2003 Agreement, running July 1, 2019 to June 30, 2024 with renewable language clause

The City of Lathrop formed a professional relationship with Lathrop Sunrise Sanitation Corporation in 1995, when Lathrop Sunrise Sanitation Corporation assumed the assignment of the 1990 Agreement between the City and Lathrop Environmental Services, Inc.

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Since the original agreement executed in 1995, Lathrop Sunrise Sanitation Corporation has provided the City with good quality, low-cost service and the orderly collection and disposal of solid waste in compliance with state recycling and organic waste regulations. Furthermore, with each new contract renewal, language was updated to add or modify services based on the needs and requirements of the community.

The term of the existing agreement ends June 30, 2024. Lathrop Sunrise Sanitation Corporation submitted proposed terms for a five (5) year extension that would become effective July 1, 2024, and would expire on June 30, 2029. Staff reviewed the proposed terms and drafted the proposed Contract to restate the terms of the existing agreement and incorporate rate adjustments detailed below and language updates to comply with recently adopted state laws.

The proposed Contract includes the following proposed terms:

Current Levels of Service and Special Programs

Current Levels:

- Weekly Residential - Three (3) bin weekly collection (Solid Waste/ Recycling / Green Waste)
- Commercial Solid Waste Collection - Up to a maximum of six (6) times per week for commercial
- Pays the City a Franchise Fee of 7% and the 3% AB 939 Fee, set forth by the LMC Section 8.16.180 of the total residential and commercial revenues collected monthly
- Complies with Assembly Bill (AB) 341 mandatory commercial recycling and Assembly Bill (AB) 1826 mandatory commercial organics recycling

Special Programs:

- Free services for City facilities
- Up to 200 tons of non-hazardous solid waste disposal at Forward Landfill
- Up to 18 illegal waste piles collections from City properties
- One-time garbage collection on vacant/ abandoned residential property
- Weekly residential collection motor oil & filter recycling
- Weekly residential battery recycling
- Waste and Recycling Education Outreach Programs (i.e. Earth Day provisions and Special Event booths)
- Special residential bulk pick-up collection two-times per year
- Education Outreach Scholarships for six schools in the amount of \$750 each
- Christmas Tree & Leaf and Limb Pick-up during the first two weeks of January
- A 24% Senior Citizen discount to residents 65 years and older

Proposed Additional Services and Special Programs
to be effective July 1, 2024

Along with all services listed above, the following list of new levels of service and special programs would take effect with the newly Amended and Restated Five (5) Year Contract:

Updated Levels of Service:

Mandated Senate Bill (SB) 1383. The State of California Mandated Short-Lived Climate Pollutant Reduction Act of 2016 is geared to reduce organic waste disposal by 75% and increase edible food recovery by 20% by 2025. To comply with this state mandate, all solid waste generators must subscribe to organic/green waste (e.g., yard trimmings, food waste) collection services. Compliance requires specific monitoring, inspection, enforcement, and reporting.

To assist with Senate Bill (SB) 1383, Lathrop Sunrise Sanitation Corporation will designate a full-time employee to assist with the following:

- Source Separated SB 1383 Compliant Bins and/or carts
- Physical Space and De Minimis Waivers
- Identifying Tier one and Tier Two Commercial Generators
- Site Visits and Waste Assessments
- Contamination Monitoring and Enforcement
- Inspection Program, Record Keeping
- Contamination Monitoring and Annual Compliance Reviews
- SB 1383 Customer Outreach Records, Data Reporting and Audits
- Non-Compliant Customers
- A designated full-time employee, provided by Lathrop Sunrise Sanitation Corporation, to assist commercial and small businesses, ensuring proper size containers and service levels. This level of customization for the commercial and small businesses may result in lower rates

Auto-Enrollment for Refuse, Recycling, and Organic Services

- Lathrop Municipal Code requires Commercial Premises and Multiple Unit Dwellings in the City to subscribe to Refuse, Recycling, and Organic collection services. This Contract and will automatically enroll Commercial Premises and Multiple Unit Dwellings for service

Annual Rate Adjustment Methodology:

- Determination of any appropriate adjustments to the maximum permitted charge for residential and/or commercial solid waste service will be based on a 12-month average change in the Consumer Price Index for All Urban Consumers (Water, Sewer, and Trash Collection Index Series ID CUSR0000SEHG) for a 12-month period published

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immediately prior to the rate application. Any rate adjustment in any given year shall not exceed five percent (5%). In any Rate Year that

the calculation of the CPI exceeds five percent (5%), the excess percentage will rollover and be added to the rate adjustment in the following year, or subsequent years

- Potential rate increases shall be reviewed annually during the month of May. If approved by Council, new rates would take effect July 1st.

New Special Programs:

ADA Roll-Out Service:

- If no able-bodied caregiver or family member is in the residence, qualifying individuals may receive collection services at a location other than curbside at no extra charge

Veteran's Discount:

- United States Armed Forces Veterans shall receive a ten percent (10%) reduction in monthly charges.

Low Income Discount:

- Qualifying individuals shall receive a twenty percent (20%) reduction in the otherwise applicable monthly charge

Specialized Waste Services:

- Lathrop Sunrise Sanitation Corporation will provide construction and demolition debris removal for City projects and provide the City with source separated containers for use at Special Events to collect solid waste, recyclable materials, and organics

Education and Outreach:

- Lathrop Sunrise Sanitation Corporation increased scholarships to provide eight (8) \$750.00 scholarships (one for each school in the City). Principals may elect to purchase supplies or equipment as otherwise appropriate. If funds are not accepted by the school by the end of the school year, funds will be donated to the Youth Advisory Commission

Sponsorships:

- \$500 Annual Sponsorship towards the Mayor's Art Show
- \$3,000 Sponsorship towards the annual Christmas Parade

Lathrop Sunrise Sanitation Corporation proposes a rate increase of three and a half percent (3.5%) for residential services. Most Lathrop residents utilize the medium 60-gallon container, which would result in a \$1.46 increase. Below you will find the proposed standard residential rates, including the three and a half percent (3.5%) increase and a cost comparison of nearby cities. In all cases, Lathrop would still

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provide the lowest residential rates for the medium sixty 60-gallon container and the 90-gallon container.

STANDARD RESIDENTIAL RATES:

<i>Container Size</i>	<i>Current Rate</i>	<i>Proposed 3.5% Rate Increase</i>	<i>Difference</i>
Small – 30 gal	\$38.66	\$40.01	\$1.35
Medium – 60 gal	\$41.64	\$43.10	\$1.46
Large – 90 gal	\$47.28	\$48.93	\$1.65

SENIOR RESIDENTIAL RATES:

<i>Container Size</i>	<i>Current Rate</i>	<i>Proposed 3.5% Rate Increase</i>	<i>Difference</i>
Small – 30 gal	\$28.77	\$29.78	\$1.01
Medium – 60 gal	\$30.90	\$31.98	\$1.08
Large – 90 gal	\$34.87	\$36.09	\$1.22

MOBILE HOME /TRAILER PARK RATES:

<i>Container Size</i>	<i>Current Rate</i>	<i>Proposed 3.5% Rate Increase</i>	<i>Difference</i>
Small – 30 gal	\$32.32	\$33.45	\$1.13
Medium – 60 gal	\$32.96	\$34.11	\$1.15
Large – 90 gal	\$37.92	\$39.25	\$1.33

SENIOR MOBILE HOME /TRAILER PARK RATES:

<i>Container Size</i>	<i>Current Rate</i>	<i>Proposed 3.5% Rate Increase</i>	<i>Difference</i>
Small – 30 gal	\$24.25	\$25.10	\$0.85
Medium – 60 gal	\$24.69	\$25.55	\$0.86
Large – 90 gal	\$28.25	\$29.24	\$0.99

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LATHROP

STOCKTON

STANDARD RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 40.01	Small	30 Gallon	\$ 36.14	\$ 3.87
Medium	60 Gallon	\$ 43.10	Medium	60 Gallon	\$ 45.78	\$ (2.68)
Large	90 Gallon	\$ 48.93	Large	90 Gallon	\$ 55.46	\$ (6.53)
SENIOR RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 29.78	Small	30 Gallon	\$ 32.54	\$ (2.76)
Medium	60 Gallon	\$ 31.98	Medium	60 Gallon	\$ 41.27	\$ (9.29)
Large	90 Gallon	\$ 36.09	Large	90 Gallon	\$ 49.96	\$ (13.87)
MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 24.04	Small	30 Gallon	\$ 37.60	\$ (13.56)
Medium	60 Gallon	\$ 34.11	Medium	60 Gallon	\$ 46.85	\$ (12.74)
Large	90 Gallon	\$ 39.25	Large	90 Gallon	\$ 56.10	\$ (16.85)
SENIOR MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 25.10	Small	30 Gallon	\$ 33.83	\$ (8.73)
Medium	60 Gallon	\$ 25.55	Medium	60 Gallon	\$ 42.17	\$ (16.62)
Large	90 Gallon	\$ 29.24	Large	90 Gallon	\$ 50.48	\$ (21.24)

LATHROP

MANTECA

STANDARD RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 40.01	Small	n/a	n/a	\$ (10.91)
Medium	60 Gallon	\$ 43.10	Medium	n/a	n/a	\$ (7.82)
Large	90 Gallon	\$ 48.93	Large	96 Gallon	\$ 50.92	\$ (1.99)
SENIOR RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 29.78	Small	n/a	n/a	\$ (21.14)
Medium	60 Gallon	\$ 31.98	Medium	n/a	n/a	\$ (18.94)
Large	90 Gallon	\$ 36.09	Large	96 Gallon	\$ 50.92	\$ (14.83)
MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 24.04	Small	n/a	n/a	\$ (26.88)
Medium	60 Gallon	\$ 34.11	Medium	n/a	n/a	\$ (16.81)
Large	90 Gallon	\$ 39.25	Large	96 Gallon	\$ 50.92	\$ (11.67)
SENIOR MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 25.10	Small	n/a	n/a	\$ (25.82)
Medium	60 Gallon	\$ 25.55	Medium	n/a	n/a	\$ (25.37)
Large	90 Gallon	\$ 29.24	Large	96 Gallon	\$ 50.92	\$ (21.68)

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LATHROP			TRACY			
STANDARD RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 40.01	Small	n/a	n/a	\$ (25.66)
Medium	60 Gallon	\$ 43.10	Medium	60 Gallon	\$ 56.64	\$ (22.57)
Large	90 Gallon	\$ 48.93	Large	90 Gallon	\$ 65.67	\$ (16.74)
SENIOR RESIDENTIAL RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 29.78	Small	n/a	n/a	\$ (26.86)
Medium	60 Gallon	\$ 31.98	Medium	60 Gallon	\$ 56.64	\$ (24.66)
Large	90 Gallon	\$ 36.09	Large	90 Gallon	\$ 65.67	\$ (29.58)
MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 24.04	Small	n/a	n/a	\$ (32.60)
Medium	60 Gallon	\$ 34.11	Medium	60 Gallon	\$ 56.64	\$ (22.53)
Large	90 Gallon	\$ 39.25	Large	90 Gallon	\$ 65.67	\$ (26.42)
SENIOR MOBILE HOME / TRAILER PARK RATES:						DIFFERENCE
SIZE		2024 RATE	SIZE		2024 RATE	
Small	30 Gallon	\$ 25.10	Small	n/a	n/a	\$ (31.54)
Medium	60 Gallon	\$ 25.55	Medium	60 Gallon	\$ 56.64	\$ (31.09)
Large	90 Gallon	\$ 29.24	Large	90 Gallon	\$ 65.67	\$ (36.43)

Lathrop Sunrise Sanitation Corporation proposes a rate increase of twenty percent (20%) for commercial services. Below you will find the proposed commercial rates, including the twenty percent 20% increase and a cost comparison of nearby cities. Most Lathrop commercial generators utilize the two (2) or three (3) cubic yard containers and the average pick up schedule is two to three times a week. It is also important to note that Lathrop currently has only five (5) commercial generators that have service five (5) times a week. In all cases, Lathrop would still provide significantly lower commercial generator rates, even with the proposed increase rates, for the two (2) or three (3) cubic yard containers container compared to the rates of the cities noted below. Additionally, commercial businesses may qualify for a De Minimis Waiver, which waives the requirement of a subscription to an organic waste recycling service, recycling organic waste on-site (e.g., composting), self-haul organic waste for recycling, generating an insignificant amount of organic waste or, if no space is available for additional containers, even split containers, for organic waste recycling, based on criteria provided by the State of California. If approved, the waiver is valid for five (5) years. The designated full-time employee provided by Lathrop Sunrise Sanitation Corporation will assist commercial businesses with ensuring proper size containers and service levels are selected for service. This level of customization for the customer may result in lower rates than what they are paying now, even with the proposed increase.

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CURRENT COMMERCIAL RATES:

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$97.64	\$148.80	\$199.92	\$250.99	\$302.13
2 Cu. Yd	\$125.53	\$192.83	\$264.85	\$327.46	\$394.76
3 Cu. Yd	\$159.15	\$254.32	\$366.89	\$500.79	\$634.81
4 Cu. Yd	\$198.63	\$327.46	\$505.68	\$684.00	\$859.04
5 Cu. Yd	\$245.87	\$472.37	\$698.87	\$925.36	\$1,124.02
6 Cu. Yd	\$291.51	\$568.80	\$846.44	\$1,124.02	\$1,401.66

PROPOSED COMMERCIAL RATES:

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$117.17	\$178.56	\$239.90	\$301.19	\$362.56
2 Cu. Yd	\$150.64	\$231.40	\$317.82	\$392.95	\$473.71
3 Cu. Yd	\$190.98	\$305.18	\$440.27	\$600.95	\$761.77
4 Cu. Yd	\$238.36	\$392.95	\$606.82	\$820.80	\$1,030.85
5 Cu. Yd	\$295.04	\$566.84	\$838.64	\$1,110.43	\$1,348.82
6 Cu. Yd	\$349.81	\$682.56	\$1,015.73	\$1,348.82	\$1,681.99

Below is a cost comparison of nearby cities for commercial services:

STOCKTON

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$154.00	\$300.63	\$444.16	\$590.79	\$734.35
2 Cu. Yd	\$221.73	\$384.93	\$520.60	\$667.36	\$823.41
3 Cu. Yd	\$270.50	\$444.14	\$617.74	\$798.74	\$990.81
4 Cu. Yd	\$299.20	\$540.26	\$777.63	\$1,009.45	\$1,244.99
5 Cu. Yd	\$380.42	\$728.14	\$1,075.83	\$1,423.56	\$1,771.28
6 Cu. Yd	\$432.30	\$831.83	\$1,228.22	\$1,624.68	\$2,009.89

MANTECA

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$178.20	\$356.42	\$534.62	n/a	n/a
2 Cu. Yd	\$197.51	\$395.00	\$592.52	\$790.03	\$987.54
3 Cu. Yd	\$215.80	\$433.60	\$650.38	\$867.18	\$1,083.98
4 Cu. Yd	\$236.08	\$472.17	\$708.25	\$944.34	\$1,180.41
5 Cu. Yd	n/a	n/a	n/a	n/a	n/a
6 Cu. Yd	\$276.07	\$549.35	\$824.01	\$1,098.68	\$1,373.36

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TRACY

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1.5 Cu. Yd	\$264.40	\$382.08	\$499.75	\$617.43	\$735.11
2 Cu. Yd	\$297.03	\$447.35	\$597.66	\$747.98	\$898.29
3 Cu. Yd	\$364.61	\$582.49	\$800.38	\$1,018.26	\$1,236.15
4 Cu. Yd	\$432.18	\$717.64	\$1,003.09	\$1,288.55	\$1,574.01
5 Cu. Yd	n/a	n/a	n/a	n/a	n/a
6 Cu. Yd	\$581.12	\$1,015.51	\$1,449.91	\$1,884.31	\$2,318.70

To ensure that all commercial generators are compliant with City ordinances and State regulations for recycling and organic waste reduction, commercial businesses will be auto enrolled in all three services. Lathrop Sunrise Sanitation Corporation proposes the commercial recycling rates detailed below for commercial services and a new \$52 charge for the commercial organic collection. Many of Lathrop’s commercial businesses may qualify for a De Minimis Waiver, which waives the requirement of a subscription to an organic waste recycling service, recycling organic waste on-site (e.g., composting), self-haul organic waste for recycling, generating an insignificant amount of organic waste or, if no space is available for additional containers, even split containers, for organic waste recycling, based on criteria provided by the State of California. The designated full-time employee provided by Lathrop Sunrise Sanitation Corporation will assist commercial businesses with ensuring proper size containers and service levels. This level of customization for the customer may result in lower rates than what they are paying now, even with the proposed increase.

PROPOSED COMMERCIAL RECYCLING RATES:

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$97.69	\$148.87	\$200.02	\$251.11	\$302.27
2 Cu. Yd	\$125.59	\$192.92	\$264.98	\$327.62	\$394.95
3 Cu. Yd	\$159.22	\$254.44	\$367.06	\$501.03	\$635.11
4 Cu. Yd	\$198.73	\$327.62	\$501.03	\$684.33	\$859.46
5 Cu. Yd	\$245.99	\$472.60	\$699.21	\$925.81	\$1,124.56
6 Cu. Yd	\$291.65	\$569.07	\$846.85	\$1,124.56	\$1,402.34

PROPOSED COMMERCIAL ORGANIC RATES:

Container Size	Rate
Large – 90 gal	\$52.02

REASON FOR RECOMMENDATION:

Council has the option of entering into the proposed Contract with the Lathrop Sunrise Sanitation Corporation extending services for five (5) years, adding services for compliance with state regulations, and adjusted rates. Lathrop Sunrise Sanitation Corporation continues to have long-standing positive involvement in our

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community. Additionally, Lathrop Sunrise Sanitation Corporation is one of the few haulers in this region that owns and operates their own landfill, including a state-of-the-art organics processing facility. Staff believes the proposed terms of the Contract, which include the lowest fees in the region, would continue to provide services that will greatly benefit the Lathrop community.

If Council prefers to seek alternative proposals, a short-term extension with Lathrop Sunrise Sanitation Corporation would be required to allow staff to prepare and issue a request for proposal. It is estimated the extension needed is 18-24 months. Although a short-term extension has not been negotiated, based on the comparable rates of other cities that are presented in the above charts, any short-term extension is likely to require an adjustment to the market rates and may not include all of the special programs listed in the proposed Contract.

FISCAL IMPACT:

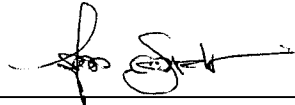
There are no impacts to the Council adopted operating expenditure budget from the proposed contract. The Franchise fee of seven percent (7%) is derived from Gross Receipts for providing service and a AB 939 franchise fee of three percent (3%) set forth by Lathrop Municipal Code Section 8.16.180. Revenue is anticipated to increase proportionate to the annual rate increase of the total residential and commercial revenues collected.

ATTACHMENTS:

- A. A Resolution of the City council of the City of Lathrop Approving a Five (5) Year Amended and Restated Contract for Residential and Commercial Customers Between City of Lathrop and Lathrop Sunrise Sanitation Corporation and Authorize Rate Adjustments for Fiscal Year 2024-2025
- B. 2024 Amended and Restated Service Contract Between the City of Lathrop and Lathrop Sunrise Sanitation Corporation, dba Allied Waste Lathrop Sanitation Services, dba Republic Services of Stockton to provide orderly collection and transportation of solid waste within the City Limits

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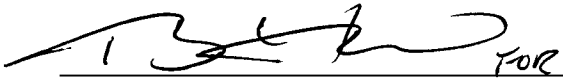
APPROVALS:



Todd Sebastian
Director of Parks and Recreation

5.1.24

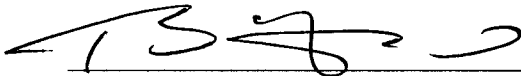
Date

 FOR

Cari James
Finance Director

5/1/2024

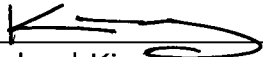
Date



Thomas Hedegard
Deputy City Manager

5/1/2024

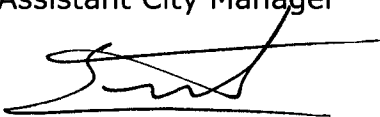
Date



Michael King
Assistant City Manager

5.2.2024


Date



Salvador Navarrete
City Attorney

5-1-2024

Date



Stephen J. Salvatore
City Manager

FOR

5.6.2024

Date

RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A FIVE (5) YEAR AMENDED AND RESTATED CONTRACT FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS BETWEEN CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION AND AUTHORIZE RATE ADJUSTMENTS FOR FISCAL YEAR 2024-2025

WHEREAS, the Lathrop Municipal Code Section 8.16.090 gives the City the right to contract for the collection, transportation, and disposal of garbage within the City limits under such terms and conditions as it deems necessary for the public health, safety, and well-being of the residents of the City of Lathrop; and

WHEREAS, the City of Lathrop has contracted with Lathrop Sunrise Sanitation Corporation since 1995 when Lathrop Sunrise Sanitation Corporation assumed the assignment of the 1990 Agreement between the City and Lathrop Environmental Services, Inc.; and

WHEREAS, the terms of the proposed five (5) Year Amended and Restated Contract ("Contract") for Residential and Commercial Customers Between City of Lathrop and Lathrop Sunrise Sanitation Corporation include competitive rates, and all necessary updates to comply with newly adopted state regulation as well as additional services that that greatly benefit the community at a low cost of service; and

WHEREAS, pursuant Lathrop Municipal Code Section 8.16.170 and prior Contracts between the City of Lathrop and Lathrop Sunrise Sanitation Corporation, the City of Lathrop has agreed to review waste collection rates annually in May, for effect July 1st; and

WHEREAS, the proposed Contract allows for an adjustment based on the prior year change in the All-Urban Consumers (CPI-U) for the Water, Sewer, and Trash Collection Index Series ID, and rate increases of three and a half percent (3.5%) for residential services and twenty percent (20%) for commercial services for fiscal year 2024-2025.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve the proposed Five (5) Year Amended and Restated Contract for Residential and Commercial Customers Between City of Lathrop and Lathrop Sunrise Sanitation Corporation, and

BE IT FURTHER RESOLVED THAT, the City Council of the City of Lathrop authorizes a rate increase of 3.5% for residential and 20% for commercial services effective July 1, 2024.

The foregoing resolution was passed and adopted this 13th day of May 2024, by the following vote:

AYES:

NOES:

ABSENT:

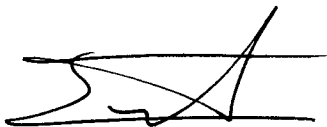
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

ATTACHMENT

- B -

2024 AMENDED AND RESTATED SERVICE CONTRACT BETWEEN THE CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION, DBA ALLIED WASTE LATHROP SANITATION SERVICES DBA REPUBLIC SERVICES OF STOCKTON TO PROVIDE ORDERLY COLLECTION AND TRANSPORTATION OF SOLID WASTE WITHIN THE CITY LIMITS

THIS SERVICE CONTRACT (hereinafter "Contract") is made on **July** , **2024**, by and between the **CITY of Lathrop**, a municipal corporation of the State of California (hereinafter "CITY") and **Lathrop Sunrise Sanitation Corporation dba Allied Waste Lathrop Sanitation Services dba Republic Services of Stockton** (hereinafter "CONTRACTOR"), whose Taxpayer Identification Number is 68-0349203.

For and in consideration of the mutual covenants, terms and conditions, CITY and CONTRACTOR (the parties) agree:

RECITALS

- A. Lathrop Municipal Code Section 8.16.090 allows the CITY to contract for the collection and transportation of garbage within CITY limits under such terms and conditions as it deems necessary for the public health, safety, and well-being of the residents of the City of Lathrop; and
- B. CITY and CONTRACTOR (as former entitled Lathrop Sunrise Sanitation Corporation) did execute that certain Agreement dated October 21, 2003 for the collection and transportation of solid waste within City limits; and
- C. The term of the original Agreement was scheduled to terminate June 30, 2009; and
- D. To incorporate amendments and extend the term of the agreement, CITY and CONTRACTOR executed Amendment 1, effective July 1, 2009, to extend the Agreement to June 30, 2014; and
- E. To incorporate amendments and further extend the agreement, CITY and CONTRACTOR executed Amendment 2, effective July 1, 2014, to extend the Agreement to June 30, 2019; and
- F. To incorporate amendments and further extend the agreement, CITY and CONTRACTOR executed Amendment 3, effective July 1, 2019, to extend the Agreement to June 30, 2024, and
- G. CONTRACTOR has provided the CITY with excellent, low-cost service and the orderly collection and transportation of solid waste removal in compliance with state recycling and organic waste regulations. Furthermore, with each extension, the agreement language was updated to add or modify service levels based on the State's and City's evolving requirements; and
- H. This amended and restated Contract is intended to extend the Agreement to June 30, 2029 and to restate the original Agreement as amended to date and incorporate language to modify levels of service based on recently adopted state requirements and evolving community needs.

**SERVICE CONTRACT – CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION,
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STOCKTON**

I. TERM OF CONTRACT

The effective date of this Contract is _____, **20__**, and it shall terminate no later than _____, **20__** unless extended by mutual agreement.

II. SCOPE OF WORK

CONTRACTOR agrees to **Provide Orderly Collection and Transportation of Solid Waste Within the CITY Limits** in accordance with the proposed scope of work and fee proposal provided by the CONTRACTOR, attached hereto as Exhibit “A” and incorporated herein by reference. CONTRACTOR agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY’s satisfaction.

CONTRACTOR shall have within the CITY limits, subject to limitations contained in this Contract, the exclusive right and duty to collect and transport all residential and commercial solid waste. CONTRACTOR may also collect and transport industrial solid waste as provided in the Lathrop Municipal Code. CONTRACTOR shall have the full and exclusive right to all source separated and non-separated recyclable or salvageable material placed in the solid waste stream by its residential and commercial customers and which is collected in connection with the collection of residential and commercial solid waste and shall have the exclusive right to any funds realized from the sale of such recycled or salvaged materials. The exclusive rights granted to CONTRACTOR by this Contract shall not interfere with nor in any way restrict CITY’s rights to collect, transport, and dispose of septic tank, sand trap, and grease trap contents. The exclusive rights granted to CONTRACTOR by this Contract shall not interfere with nor in any way restrict the right of residential and commercial customers to sell salvageable or recyclable material prior to their placement in the waste stream, as set for in *Waste Management of the Desert v. Palm Springs Recycling Center* (1994) Cal, 4th 478.

CONTRACTOR shall furnish all materials, personnel, and equipment required for the orderly collection of solid waste on a regularly scheduled basis to all residential and commercial customers within the CITY limits. CONTRACTOR’s services shall be subject to the terms of this Contract, the Lathrop Municipal Code, and all other county, state or federal laws pertaining to the collection and transportation of solid waste to which contract is subject. The CONTRACTOR and not the CITY, is arranging for the collection of solid waste and the CITY is not Directing CONTRACTOR’s operations.

III. DEFINITIONS

For the purpose of this Contract, the following definitions shall apply:

- a) **Commercial Solid Waste:** shall be defined as solid waste generated by or originating from stores; business offices; commercial warehouses; hospitals; educational, health care, military, and correctional institutions; multiple family dwelling units of four or more units and government offices. From construction, remodeling, repair and demolition operations on pavements, residential and commercial buildings, and other structures. Commercial solid waste includes construction solid waste, commercial organic waste, commercial recyclable material, and waste building materials (i.e., non-hazardous packaging and rubble resulting from construction, remodeling, repair and demolition operations on pavements, residential and commercial buildings, and other structures, which packaging and rubble may include, among other things, lumber, cement, and metal).

SERVICE CONTRACT – CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION, DBA ALLIED WASTE LATHROP SANITATION SERVICES DBA REPUBLIC SERVICES OF STOCKTON

- b) Commercial Edible Food Generator: includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in this section.
- c) Compost: shall be defined as set forth in Public Resources Code Section 40116, which is incorporated herein by reference.
- d) Edible Food: shall be defined as food intended for human consumption.
- e) Food Distributor: shall be defined as a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores.
- f) Food Recovery: shall be defined as actions to collect and distribute food for human consumption that otherwise would be disposed.
- g) Green/Yard Waste: shall be defined as waste generated from the maintenance or alteration of public, residential, or commercial landscapes including, but not limited to grass, vine clipping, leaves, tree, and bush trimmings or prunings, brush, weeds, and limbs and branches that shall fit within the cart designated for yard waste with the lid closed. Green waste shall not include dirt, rocks, dead animals, or inorganic material.
- h) Household Hazardous Waste: shall be defined as Hazardous Waste generated in the normal course of lawful activities by or in residential single- or multi-family homes, apartments, and mobile homes.
- i) Hazardous Waste: shall be defined as set forth in Public Resource Code Section 40141, which is adopted herein by reference.
- j) Industrial Solid Waste: shall be defined as solid waste originating from mechanized manufacturing facilities, factories, refineries, and publicly operated treatment works.
- k) Local Education Agency: shall be defined as a school district, charter school, or county office of education that is not subject to the control of CITY regulations related to Solid Waste.
- l) Organic Waste Material: shall be defined as food waste, such as: food scraps and food trimmings and other putrescible waste that results from food production, preparation, or consumption; and green/yard waste.
- m) Recycle: shall be defined as set forth in Public Resources Code Section 40180, which is adopted herein by reference.
- n) Recyclable: shall be defined as clean or mixed recycling material that has or can be retrieved or diverted from disposal or transformation for the purpose of recycling, composting, or salvage. Such materials may include, without limitation, the following: corrugated cardboard, newspaper, phone books, “junk” mail, magazines, ferrous metals, non-ferrous metals, mixed metals, construction solid waste, recyclable glass (including redemption glass), non-recyclable glass, aluminum (including redemption aluminum), and PET #1 and HDPE #2 plastic.
- o) Residential Solid Waste: shall be defined as solid waste originating from the solid waste stream for disposal, recycling, composting, or transformation.

SERVICE CONTRACT – CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION, DBA ALLIED WASTE LATHROP SANITATION SERVICES DBA REPUBLIC SERVICES OF STOCKTON

- p) Salvage: shall be defined as the controlled removal of material from the solid waste for recycling, composting, or transformation.
- q) Solid Waste: shall be defined as set forth in Public Resources Code Section 40191, which is incorporated herein by reference.
- r) Solid Waste Facility: shall be defined as set forth in Public Resources Code Section 40194, which is incorporated herein by reference.
- s) Tier One Commercial Edible Food Generator: shall be defined as a Commercial Edible Food Generator that is one or more of the following:
 - 1. Supermarket
 - 2. Grocery Store with a total facility size equal to or greater than 10,000 square feet
 - 3. Food Service Provider
 - 4. Food Distributor
 - 5. Wholesale Food Vendor
- t) Tier Two Commercial Edible Food Generator: shall be defined as a Commercial Edible Food Generator that is one or more of the following:
 - 1. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet
 - 2. Hotel with an on-site Food Facility and 200 or more rooms
 - 3. Health facility with an on-site Food Facility and 100 or more beds
 - 4. Large Venue
 - 5. Large Event
 - 6. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet
 - 7. A Local Education Agency facility with an on-site Food Facility
- u) Tipping fee: shall be defined as the charges assessed to unload solid waste at a solid waste facility.
- v) Transforming: defined in the Public Resources Code Section 40201, which is incorporated herein by reference.
- w) Universal Waste: shall be defined as set forth in *Title 22 California Code of Regulations, Section 66261.9*, which adopted herein by reference.

**SERVICE CONTRACT – CITY OF LATHROP AND LATHROP SUNRISE SANITATION CORPORATION,
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IV. LEVELS OF SERVICE

CONTRACTOR shall at all times maintain proper facilities and provide safe access for inspection by the CITY to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely, written approval by the CITY. Should any such work be covered up without such notice, approval, or consent, it must, if required by CITY, be uncovered for examination at the CONTRACTOR's expense. CONTRACTOR shall maintain sufficient personnel, materials, and equipment to maintain the following:

a) Handling of Collection

Except for holidays and emergency situations, all residential collections shall be made between the hours of 5:00 am and 6:00 pm on Monday through Friday, and all commercial and industrial collections shall be made between the hours of 5:00 am and 6:00 pm on Monday through Saturday. Collections may be made on holidays and in emergency situations at other than designated days and times. CONTRACTOR shall pick up any solid waste dropped or deposited in the process of collecting or transporting it to the disposal site.

b) Community Outreach

1. Citywide Recycling and Education Awareness Programs

CONTRACTOR shall attend at least two (2) and up to four (4) CITY events per year of CITY's selection, the purpose of which shall be to: (i) educate the citizens of CITY regarding waste management or recycling programs offered by CONTRACTOR (or both), or (ii) offer certain specialized material collection services, including, without limitation, on-site document shredding, sharps collection, or fluorescent bulb collection, or (iii) both (i) and (ii), above.

2. Education Outreach Programs for Schools

CONTRACTOR shall annually provide eight (8) \$ 750.00 scholarships for use at post-secondary educational institutions, one each to a student graduating from each Joseph Widmer Elementary, Lathrop Elementary, Mossdale Elementary, River Islands Technology Academy, Next Generation STEAM, Epic Academy, Lathrop High School, and River Islands High School, the means of selecting such scholarships recipients shall be determined by CONTRACTOR in concert with the principal of each school. In the alternative, or in a combination thereof, the principals may elect to purchase supplies or equipment as otherwise appropriate. If funds are not accepted by the school by the end of the school year, funds will be donated to the Youth Advisory Commission.

3. Donations

CONTRACTOR shall annually donate \$500 towards the CITY's Mayor's Art Show and CONTRACTOR shall annually donate \$3,000 towards the CITY's Christmas Parade.

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c) Residential Solid Waste

Residential solid waste shall be collected no less frequently than once each calendar week, with collection from a given residence scheduled to occur on the same day or days each week.

d) Commercial Solid Waste

Commercial solid waste shall be collected no less frequently than once each calendar week, up to a maximum of five times each week, as may be mutually agreed by CONTRACTOR and given commercial customer.

e) City Facilities

Without charge to CITY, solid waste shall be collected at CITY-owned or leased facilities, including, but not limited to, parks, wastewater treatment plant, bus shelters, and corporation yard no less frequently than once each calendar week. CONTRACTOR shall provide appropriately sized containers to the CITY for its use in numbers and at places that are mutually agreed upon by the CONTRACTOR and the CITY.

f) Specialized Services

Special types of solid waste, including, but not limited to, construction and demolition debris shall be removed on- an "as needed" basis as may be mutually agreed upon by CONTRACTOR, the CITY and involved customers. CONTRACTOR will provide CITY with source separated containers for use at city-sponsored Special Events to collect solid waste, recyclable materials, and organics. CONTRACTOR will arrange drop off and pick up with the CITY. Size of bins and/or carts will be determined by the CITY. CITY shall provide the CONTRACTOR with a minimum of one-week advanced notification of such request to arrange for such container(s) availability and delivery/removal schedule.

g) ADA Roll-Out Service

CONTRACTOR shall provide for Persons that have a disability as defined by the Americans with Disabilities Act (which means Public Law 101-336, 104 Stat. 327, 42 U.S.C. 12101-12213 and 27 U.S.C. 225 and 611, and all Federal rules and regulations relating thereto) who (i.) permanently reside at the place of service is an owner or tenant of such residence, (ii.) are deemed the head of household and/or account holder of solid waste service with CONTRACTOR and (iii.) presents the need to receive collection services at a location other than curbside that is convenient to the customer and determined to be safe by CONTRACTOR at no extra charge to the Customer; provided no able-bodied caregiver or family member is in residence for 30-gallon size of bins and/or carts only. Customers seeking such additional service shall contact the CONTRACTOR to set up service and complete eligibility application. CONTRACTOR shall verify Customer's health-related eligibility for the ADA Roll-out Service.

h) Bulk Pick-Up

CONTRACTOR shall provide Bulk Pick-Up to all Customers at Residential and Multi-Family Premises in the City with two (2) Collection pickups per calendar year, during the

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months of February through November, at no additional charge.

Residential customers will be instructed to set-out bulky waste and E-waste items within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Customer, that will provide safe and efficient accessibility to the CONTRACTOR's Collection crew and vehicle. Multi-Family properties with 4 or more dwelling units will be provided with a 40-yard container from the Contractor, twice a year for Bulk-Item Collection. CONTRACTOR shall collect Bulky items by appointment made from the Customer. Bulky collection will be scheduled for the next designated Bulky Collection Day that occurs on a weekly basis. CONTRACTOR may instruct Customers must contact the CONTRACTOR in advance with a minimum of two (2) business days' notice for Collection of the items. CONTRACTOR shall provide curbside collection, recycling, and disposal of bulky items, except those containing Freon or other refrigerants, or other hazardous waste. In no event shall CONTRACTOR be required to pick up more than 2.5 cu. yards (a pile equal to (L) 7.5 ft x (W) 3 ft x (H) 3 ft) of solid waste and up to 4 car or light pickup tires per collection event. Approved items may be placed in the CITY right-of-way as long as they do not present a traffic hazard and do not obstruct storm water flow.

Residential and Multi-Family Customers that exceed the maximum of two on-demand pickups per calendar year may receive additional Bulk Pick-Up for an additional fee, in accordance with the approved rate schedule.

i) Annual Leaf and Limb Pick-Up

In addition to the weekly yard waste pick-up the CONTRACTOR shall provide, without charge, annual leaf and limb pick-up service to each residential customer without charge, during the month of January. CONTRACTOR shall remove and dispose of all leaves and limbs which have been deposited at the curbside by the customer for collection on the day specified by CONTRACTOR. For this period of the year only, the bush limbs need not be stacked bundled or tied. However, no brush or material shall exceed four (4) feet in length. The leaf and limb pick-up service shall be provided to all areas of the CITY at least two times in the month of January. A specialized pick-up of Christmas trees shall be scheduled for at least two times in the month of January. CONTRACTOR shall give all customers a thirty (30) day advance notification via US mail and "container tag" (that has been approved by CITY) of the pick-up schedule.

During a leaf and limb pick-up program, leaves and limbs may be placed in the CITY right-of-way as long as they do not present a traffic hazard and do not obstruct storm water flow.

j) Illegal Waste Pile Collection

At the request of CITY, CONTRACTOR shall collect waste piles dumped illegally within the CITY limits of CITY, at no cost to CITY, provided (i) the waste piles do not contain any hazardous materials; and (ii) CONTRACTOR shall be obligated pursuant to this Section to collect no more than eighteen (18) such illegal waste piles within a calendar year.

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k) Close-Out Service

At the request of CITY, CONTRACTOR shall collect residential solid waste from vacant or abandoned residential properties corresponding to one or more suspended or terminated residential customer accounts at no cost to CITY, provided: (i) such waste is within the container(s) distributed to such customers pursuant to Section 25 of this Contract, and (ii) such waste is determined by CONTRACTOR in its reasonable discretion to be the product of the most recent prior resident(s) of such properties.

l) Disposal for CITY

CONTRACTOR, at no cost to CITY, shall allow CITY to dispose of up to two hundred (200) tons of non-hazardous solid waste collected from one or more sites within the CITY limits of CITY per calendar year at CONTRACTOR's Forward Landfill (located at 9999 South Austin Road, Manteca, California).

m) Motor Oil and Filter Recycling

CONTRACTOR shall provide for weekly collection of used motor oil and used motor oil filters (for cars and light trucks) from residential customers: provided, however, (i) CONTRACTOR shall have no obligations to collect in any single week more than ten (10) quarts of used motor oil and no more than four (4) used motor oil filters from any residence, and (ii) CONTRACTOR shall have no obligation to collect used motor oil or used motor oil filters (or both) not conforming to storage or disposal container requirements and other rules reasonably imposed by CONTRACTOR.

n) Battery Recycling

CONTRACTOR shall provide weekly collection of household batteries for recycling from residential customers; provided, however, that the customer is required to place such batteries in a ziplock plastic bag and placed in their residential recycling cart placed at the curb for collection.

o) Salvageable Materials

The CONTRACTOR shall have the full and exclusive right to all salvageable materials collected in connection with the collection of solid waste under this Contract and shall have the sole right to any and all funds received from the sale of said salvageable materials.

p) Special Collections

A reasonable service fee may be charged for special collection of household furniture and appliances, unusual materials or objects, and non-scheduled pick-ups. The amount of fee for such special collection shall be negotiated and agreed upon between CONTRACTOR and the requesting customer prior to actual removal from the customer's premises. The fee shall bear a reasonable relationship to the size, type, weight, and amount of items to be collected. CONTRACTOR shall provide written notice to the CITY of the charge for any special collection within ten (10) days of the date of the contract with customer to provide a special collection.

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In the event of a dispute between CONTRACTOR and customer relative to the amount of such service fee, the dispute may be submitted to the CITY Manager or designee for decision. The CITY Manager shall hold an informal hearing at their office, and following said hearing, may fix the amount of service fee for such special collection, which determination shall be final.

q) Holiday Collection

When a scheduled collection day falls on a holiday, CONTRACTOR may, at its option and upon notice to its customers by publication 30 days in advance in a local newspaper of general circulation and a “container tag” two weeks in advance (that has been approved by CITY), collect either on the holiday or on a day immediately prior to, or delay collection schedules one day.

r) Hazardous Substances

CONTRACTOR shall not be required to collect, transport, or otherwise handle household hazardous waste.

CONTRACTOR shall report in writing to the CITY and the appropriate state, federal, local government, or agency the presence of any hazardous substance found in solid waste collected by CONTRACTOR in the CITY within five (5) days of its discovery.

CONTRACTOR shall divert hazardous substances to a lawful hazardous substance disposal facility and shall maintain written records of the proper disposal of any and all hazardous substances collected by CONTRACTOR for a period of twenty (20) years.

V. COLLECTION SERVICE, RATES, AND BILLING

a) Collection Service

The following rates and charges shall be charged for the collection of solid waste:

1. Single-family Residential Units

A limited amount of garbage and solid waste shall be picked up from single-family residential units and multiple family dwellings of three or fewer units, on a once-a-week basis. Single-family residential units will be provided with three (3) color-coded containers which shall designate which bin and/or cart is being used for which type of waste. Blue shall be for recyclables. Green shall be for organic/green/yard waste. Gray shall be for residential solid waste. Residential customers may select a container size for residential solid waste, excluding recyclables and organic waste, in one of the following industry classification sizes: (1) 90-gallon, (1) 60 gallon, (1) 30-gallon. The monthly charge for this service shall be set by CONTRACTOR within the maximum rate to be set by the CITY as set forth in the Lathrop Code of Ordinances. Any such charge shall be dependent on the size of the container selected by the customer.

2. Multi-story, Multi-families, Residential Units, and Trailer and Mobile Home Parks

The fee charged by CONTRACTOR shall be in accordance with the schedule set forth in the CITY’s Code of Ordinances, as may be amended annually.

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a. Multiple Family Dwellings with Four or More Units – This type of dwelling unit shall be treated as a commercial account.

b. Mobile Home Parks – A limited amount of solid waste shall be picked up from mobile home parks. The owner of each mobile home park in the CITY shall select the type and level of service.

3. Commercial Accounts

The fees charged for commercial accounts shall be set by CONTRACTOR in accordance with the schedule set forth in the CITY Ordinance, as may be amended annually.

4. Industrial Accounts:

The rate for industrial accounts shall be established as provided in the Lathrop Municipal Code.

5. Restriction on Garbage and Solid Waste

The pickup of residential solid waste referred to herein shall not be deemed to include discarded construction materials resulting from major construction remodeling, tires, or hazardous waste.

b) Handling Containers

CONTRACTOR shall leave solid waste containers in an upright position in the location at which they were found prior to collection. CONTRACTOR shall be liable for damage to solid waste containers or private property occurring as the result of its own negligence, but not otherwise.

c) Justifiable Cause for Refusal of Service

CONTRACTOR shall be justified in refusing service to any customer who fails to comply with all provisions of this Contract and the Lathrop Municipal Code for the handling of solid waste, including but not limited to excess weight more than sixty (60) lbs. of container, substance other than green waste in the designated can, substance other than approved recyclables in designated can, and a refuse account that is not more than sixty-five (65) days in arrears.

d) Residential Routes: Notices

Thirty (30) days prior to the commencement of service under this Contract or in a manner otherwise acceptable to CITY, CONTRACTOR shall provide CITY with a detailed map of residential collection routes and residential collection schedule. In the event CONTRACTOR changes its residential collection schedule, CONTRACTOR shall notify all affected customers with a thirty (30) day advance notification via US mail and “container tag” (that has been approved by CITY) of the pick-up schedule.

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e) Violation Notices

If CONTRACTOR, for justifiable cause as justified in Section 23, above, does not collect solid waste from a customer, CONTRACTOR shall give the customer written notification by a “container tag” (that has been approved by CITY) of the reason for refusing to collect. CONTRACTOR shall maintain a record of all notices given pursuant to this section.

f) Collection Rates

CITY shall determine only the maximum rate CONTRACTOR may charge to commercial and residential customers for solid waste collection and transportation services. The rates established shall be reviewed annually during the month of May and if appropriate, adjusted effective July 1. Determination of any appropriate adjustments to the maximum permitted charge for residential and/ or commercial solid waste service will be based on of the 12-month average change in the Consumer Price Index for All Urban Consumers (Water, Sewer, and Trash Collection Index Series ID CUSR0000SEHG) for the most 12-month period published immediately prior to the rate application. Any rate adjustment in any given year shall not exceed 5%.

The first-rate adjustment effective July 1, 2025 will be based on the percentage changes between the 12-month average of the CPI index from January 2024 to January 2025. If the CPI is discontinued or revised during the Term by the United States Department of Labor, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

If the CONTRACTOR increases residential and/or commercial collection rates in accordance with paragraph above, and the rate increase is formally accepted by CITY Council , the CONTRACTOR shall notify all customers by June 1 of any rate increase on July 1 of the same calendar year via US mail and “container tag” of the new rates.

g) Annual Rate Cap on Maximum Service Rates

In any Rate Year that the calculation of the CPI exceeds five percent (5%), the total adjustment for that year will equal five percent (5%) and the rollover amount will be added to the rate adjustment percentage in the following year, or any subsequent year. If the CPI is negative (after accounting for any applicable rollover percentages from prior years), there will be no CPI adjustment for that year.

h) Discounts

Residential customers may only qualify for, and be eligible to receive, one (1) of the following discounts to the monthly billable service rates.

1. Senior Citizens Discount

For residential customers who can demonstrate to the satisfaction of CONTRACTOR that at least one (1) adult who permanently resides at the place of service is an owner or tenant of such residence and is sixty-five (65) years or older, there shall be a twenty-four percent (24%) reduction in the otherwise applicable monthly charge paid to CONTRACTOR for

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residential service to such property; provided they are deemed the head of household and/or account holder of solid waste service with CONTRACTOR. Customers seeking such a discount shall contact the CONTRACTOR to complete the eligibility application.

2. Veterans Discount

For residential customers who can demonstrate to the satisfaction of CONTRACTOR that (i.) at least one (1) adult who permanently resides at the place of service is an owner or tenant of such residence (ii.) deemed the head of household and/or account holder of solid waste service with CONTRACTOR and (iii.) is a Veteran of the United States Armed Forces by supplying proof of a DD Form 214, Certificate of Release or Discharge from Active Duty, there shall be a ten percent (10%) reduction in the otherwise applicable monthly charge paid to CONTRACTOR for residential service to such property. Customers seeking such a discount shall contact the CONTRACTOR to complete the eligibility application.

3. Low Income Discount

For residential customers who can demonstrate to the satisfaction of CONTRACTOR that (i.) at least one (1) adult who permanently resides at the place of service is an owner or tenant of such residence qualifies for a person of low, lower, or extremely low income as documented by participation in a local utility income-based discount program, (ii.) deemed the head of household and/or account holder of solid waste service with CONTRACTOR, and (iii.) enrolled in a discounted utility program, there shall be a twenty percent (20%) reduction in the otherwise applicable monthly charge paid to CONTRACTOR for residential service to such property for 30-gallon size of bins and/or carts only. Customers seeking such a discount shall contact the CONTRACTOR to complete the eligibility application. Information regarding qualification criteria can be found by visiting, <https://www.csd.ca.gov/Pages/LIHEAP-Income-Eligibility.aspx>.

i) Billing

CONTRACTOR shall prepare and deliver bills to residential and commercial customers on a monthly basis. Within Fifteen (15) days of the end of the billing cycle, CONTRACTOR shall furnish CITY with a statement of customers with accounts more than one billing cycle in arrears.

j) Auto-Enrollment

CITY shall at all times during the term of this Contract require the owner of each Commercial Premises and Multiple Unit Dwelling in the CITY, where Refuse, Recycling, Household Hazardous Waste or Infectious Waste is produced, to subscribe to the Refuse, Recycling and Organics collection service provided for in this Contract and in Chapter 8.16 of the Lathrop Municipal Code. CONTRACTOR shall provide the services to all Premises specified in this Contract at City-approved rates. Beginning July 1, 2024, CITY directs that CONTRACTOR automatically enroll any new or unsubscribed Residential, Commercial and Multiple Dwelling Customers in Refuse, Recycling and Organics collection services pursuant to Chapter 8.16 of the Lathrop Municipal Code. The work to be done by CONTRACTOR pursuant to this Contract shall include the furnishing of all supervision, labor, materials, tools, equipment, expertise, and any other items necessary to perform

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the services in the CITY described herein. Such work shall be accomplished in a thorough and workmanlike manner. CONTRACTOR shall not litter any Premises or public property when making collections. Auto-enrollment of such services shall commence upon effectiveness of this Amended and Restated Contract and be implemented during a thoughtful and thorough process where each customer is notified of such mandatory service in advance. CONTRACTOR will regularly update the CITY of its progress and completion of auto-enrollment services.

k) Reporting and Payment

CONTRACTOR shall furnish CITY with a statement of all customers with accounts that have suspended, terminated, or have no service for all of the following, but not limited to, non-payment, vacation, and relocation. This statement must be provided within 24 hours of suspension or termination and continue daily for 10 days.

1. On or before the 10th day of each month, CONTRACTOR shall report the following:

- a. The total number of customers
- b. The level of service is determined in accordance with each section of this Contract and ordinances in the Lathrop Municipal Code.
- c. The amount billed.
4. Any extra charges or services ordered.
- e. Payment and Authorization Deductions.

On or before the 10th of each month, CONTRACTOR shall remit to CITY:

2. AB 939 Fee

CONTRACTOR shall pay to the CITY an AB 939 Integrated Solid Waste Management Plan fee as set by CITY Council pursuant to Chapter 8.16 of the Lathrop Municipal Code, currently three (3) percent of the gross revenues collected pursuant to that Contract for which a Integrated Sold Waste Management Plan fee is required to be paid.

3. Franchise Fee

CONTRACTOR shall pay to the CITY as a franchise fee a sum equal to seven (7) percent of the gross revenues collected pursuant to the Contract for which a franchise fee is required to be paid. Within ten (10) days following the completion of each calendar month, the CONTRACTOR shall furnish the CITY with a report of all receipts associated with the removal and transportation of solid waste for which a franchise fee is payable. The CONTRACTOR's report shall be accompanied by a check in the amount of the franchise fee that CONTRACTOR owes to CITY.

4. AB 919 Fee

CONTRACTOR shall pay a fee to San Joaquin County in accordance with the San Joaquin County Ordinance Code for any and all solid waste that is collected within the CITY and

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transported out of San Joaquin County for disposal. CONTRACTOR agrees to pay any revised fee legally adopted by San Joaquin County.

VI. CONTRACTOR'S OFFICE

CONTRACTOR shall maintain an office at a fixed location within 15 miles of CITY limits and shall maintain telephone services CONTRACTOR's name. CONTRACTOR shall staff the office from the hours of 8:00 am to 4:30 pm on each day collections are scheduled, except weekends and holidays. Staff shall include a person to receive complaints and answer inquiries during office hours. Responses to complaints or inquiries shall be made no later than the end of the next workday following the day on which the complaint is received, and the nature and time of disposition. CONTRACTOR shall maintain written records of all customers contacts, including date, time, response date, and result. All solid waste collection vehicles shall be equipped for two-way radio communication with the office.

CONTRACTOR shall provide a payment drop-off box located at CITY Hall with a posted notice to customers indicating when the payment will be posted to their account. CONTRACTOR shall collect payment within the same business days.

VII. PERSONNEL

a) Assignment of Personnel

CONTRACTOR shall assign only competent personnel to perform services pursuant to this Contract. If CITY asks CONTRACTOR to remove a person assigned to the work called for under this Contract, CONTRACTOR agrees to do so immediately, regardless of the reason, or the lack of a reason, according to the CITY's request.

It is expressly understood and agreed by both parties that CONTRACTOR, while engaged in carrying out and complying with any of the terms and conditions of this Contract, is an independent CONTRACTOR and not an employee of the CITY, CONTRACTOR expressly warrants not to represent, at any time or in any manner, that CONTRACTOR is an employee of the CITY.

The services shall be performed by, or under the direct supervision, CONTRACTOR's Authorized Representative or General Manager.

b) Uniformed Collectors

All persons employed by CONTRACTOR to collect solid waste shall be required to wear clean uniforms when on duty, including coveralls or trousers, shirts, and jackets. Shirts and jackets shall bear a distinctive logo identifying the wearer as an employee of CONTRACTOR.

c) Subcontractors

CONTRACTOR shall be responsible for the performance of all persons who may be engaged in performing the services provided by the Contract, including subcontractors and their employees. CITY shall deal directly with CONTRACTOR concerning the performance of this Contract, including the work of subcontractor, CITY shall notify CONTRACTOR, who shall take appropriate action.

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d) Sustainability Advisor

CONTRACTOR will employ one full-time dedicated staff position to provide onsite customer service, outreach and education, site visits, customer correspondence, and SB 1383 compliance-related services exclusively to the CITY. The Sustainability Advisor will be specifically responsible for administering and assisting other CONTRACTOR personnel with implementation and ongoing compliance of Section XIII of this Amended and Restated Contract, as well as all other general outreach otherwise described herein.

VIII. EQUIPMENT

a) Vehicles and Equipment

All vehicles and equipment used by CONTRACTOR to perform the services required under this Contract shall be wholly owned or leased by CONTRACTOR. All vehicles and equipment used in performing this Contract shall bear a clearly readable sign containing CONTRACTOR's name and office phone number. All vehicles and equipment shall conform to the requirements of all applicable county, state, and federal laws and CITY ordinances, and all limitations in any licenses or permits under which CONTRACTOR operates. Should CITY at any time notify CONTRACTOR that any vehicle or piece of equipment is not in compliance with those standards, CONTRACTOR will remove the vehicle or equipment from service until it has been inspected and approved for service by the CITY. In no event shall such a removal of vehicles or equipment from service relieve CONTRACTOR of its obligation to perform the services required under this Contract.

b) Vehicles and Equipment Maintenance

CONTRACTOR shall maintain each vehicle and piece of equipment in a clean and sanitary condition, uniformly painted. All solid waste collection vehicles and equipment used in performing this Contract shall be constructed, maintained, and operated so that liquids or solid waste will not blow, fall, shift, or leak. CONTRACTOR shall pick up any solid waste dropped or deposited in the process of collecting or transporting it to the disposal site. Each vehicle and piece of equipment shall undergo annual mechanical inspection by the San Joaquin County Local Health District, and inspection certificates shall be maintained on file at CONTRACTOR's office. Equipment shall be maintained to prevent unnecessary noise.

c) Vehicle and Equipment Storage

When not in use, all vehicles and equipment shall be stored indoors or in a fenced yard in compliance with all laws relating to the parking or storage of vehicles. No vehicle shall be parked with a full or partial load of solid waste more than (72) seventy-two hours.

IX. DISPOSAL SITE

Except for materials retained for recycling, salvage, or compost, CONTRACTOR shall transport collected solid waste to lawfully permitted solid waste facility, determined by the CONTRACTOR in the exercise of its sole discretion.

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X. BREACH BY CONTRACTOR

In the event the CONTRACTOR should default in the performance of the any material provisions of this Contract, CITY shall give written notice and (30) thirty days opportunity to cure. If the default is not cured with (30) thirty days after receipt of written notice of default from CITY, or within a different period of time mutually agreed upon by the CITY and CONTRACTOR, then CITY shall hold a duly noticed hearing to determine whether this Contract should be terminated. CITY shall give CONTRACTOR at least fifteen (15) days written notice of any such hearing. In the event CITY decides to terminate this Contract, CITY shall serve ten (1) days, written notice of its intention to terminate upon CONTRACTOR. In the event CITY decides to terminate this Contract after notice and hearing CITY may, at its option, either directly undertake performance of the services in excess of the amount that would be payable to CONTRACTOR had it performed the services under this Contract.

In the event CITY acts under this paragraph to terminate this Contract, CITY shall pay to CONTRACTOR the amount due CONTRACTOR under the terms of this Contract for services performed as of the date of termination. CITY may, in that event, take possession of CONTRACTOR's equipment necessary to perform the services required under this Contract and retain it until CITY purchases or otherwise acquire equipment suitable for that purpose but in no event longer than one hundred twenty (12) days. CITY shall compensate CONTRACTOR for the reasonable rental value of its equipment during the period CITY retains possession of it. In the event CITY acts under this paragraph to take possession of CONTRACTOR's equipment necessary to perform the services required under this amended Contract, CITY shall indemnify and hold harmless CONTRACTOR for any loss, claims, injuries, or other damages imposed, derived from, or incurred during the period of time CITY's possession of CONTRACTOR's equipment.

a) Contractor's Inability to Perform Due to Act of God

CONTRACTOR's failure to perform under the terms of this Contract by reason of a major disaster, epidemic, act of God, or other emergency shall not constitute a breach of the Contract for purposes of paragraph above.

b) Contractor's Insolvency

CONTRACTOR's failure to perform under the terms of this Contract by reason of its insolvency or bankruptcy shall constitute a material breach of this Contract for purposes of paragraph above.

c) Contractor's Inability to Perform Due to a Labor Dispute

In the event a labor dispute interrupts CONTRACTOR's services under this Contract for more than seventy-two (72) hours, CITY may take temporary possession and control of CONTRACTOR's facilities and equipment to enable CITY to continue to perform the solid waste collection and transportation services provided for in this Contract. In the event CITY acts under this paragraph to take possession of CONTRACTOR's equipment necessary to perform the services required under this Contract, CITY shall indemnify and hold harmless CONTRACTOR for any loss, claims, injuries, or other damages imposed, derived from, or incurred during the period of time of CITY's possession of CONTRACTOR's equipment.

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In order to protect the public health, safety, and welfare, CITY may retain possession and control of CONTRACTOR's facilities and equipment until CONTRACTOR demonstrates to CITY's satisfaction its ability to resume performing services; provided, however, that in no event shall CITY retain possession and control of CONTRACTOR's facilities and equipment longer than one hundred twenty (120) days. In the event CONTRACTOR is unable to satisfactorily demonstrate its ability to perform by the end of the one hundred twenty (12) day period, CITY may terminate this Contract.

During any period in which CITY has temporary possession and control of CONTRACTOR's facilities and equipment, CONTRACTOR shall not be entitled to compensation from CITY, except for the fair rental value of its facilities and equipment. During any such period, CITY may employ CONTRACTOR's employees provided that the number of employees and their rate of compensation shall not exceed that existing at the time CONTRACTOR became unable to perform because of the labor dispute.

XI. CONTRACTOR'S RECORDS AND REPORTS

CONTRACTOR shall grant CITY access to its financial records relevant to the performance of this Contract upon reasonable notice, at CONTRACTOR's office, during regular business hours. CONTRACTOR shall provide CITY with a copy of its annual financial statements within one hundred twenty (120) days after the close of the first year of term of this Contract, and within one hundred twenty (120) days of the close of each succeeding three (3)-year period during the term of this Contract. The financial statement shall be prepared by an independent certified or public accountant according to generally accepted accounting principles, consistently applied, and shall reflect only CONTRACTOR's business activities with CITY.

XII. COMPLIANCE WITH CALIFORNIA INTEGRATED WASTE MANAGEMENT ACT

The CONTRACTOR agrees to continue to implement the source reduction and recycling requirements of AB 939, the California Integrated Waste Management Act of 1989 (chapter 1095, Statutes of 1989). CONTRACTOR shall apply for and maintain a valid identification number from the Division of Recycling, Department of Conservation, if the CONTRACTOR's recycling efforts meet the definition in Section 1409.5 of the Public Resources Code. CONTRACTOR shall also maintain records of the amounts and types of waste diverted in accordance with section 8.16.150 of the Lathrop Code of Ordinances. Failure to do so shall constitute a breach of this Contract.

XIII. COMPLIANCE WITH STATE MANDATED SHORT-LIVED CLIMATE POLLUTANT REDUCTION ACT (SB 1383)

a) Source Separated SB 1383 Compliant Bins and/or carts

1. Bin and/or Cart Colors

The following source separated commodities will be made available to customer in the corresponding SB 1383 color-compliant configurations:

- a. Organic waste: (containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green waste, landscape waste, organic textiles and carpets, lumber, and paper products): a metal bin/dumpster with a blue-colored container body and a green-colored lid;

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and a plastic bin and/or cart with a green-colored lid.

b. Recyclables: (includes, but not be limited to, corrugated cardboard, newspaper, phone books, junk mail, magazines, ferrous metals, nonferrous metals, recyclable glass including redemption glass, mixed metals, nonrecyclable glass, aluminum including redemption aluminum, and PET (No. 1) and HDPE (No. 2) plastic.): a metal bin/dumpster with a blue-colored body and a blue-colored lid; and a plastic bin and/or cart with a blue-colored lid.

c. Solid Waste: (as set forth in California Public Resources Code Section 40191, trash, refuse, or other items that cannot be recycled or composted): a metal bin/dumpster with a blue-colored container body and a gray-colored lid; and a plastic bin and/or cart with a gray-colored lid.

2. Bin and/or Cart Compliance

All customers will continue use of their existing containers. No replacement of bins and/or carts or carts shall be made for existing containers using those bins and/or carts or carts purchased by the CONTRACTOR prior to July 1, 2024, until such time as the CONTRACTOR's existing inventory of such bins and/or carts or carts is exhausted. New or replacement bins and/or carts or carts purchased after July 1, 2024 shall be SB 1383 compliant according to the colorization of bins and/or carts and carts noted in Section 25. G. 1. New bins and/or carts and carts purchased by CONTRACTOR after July 1, 2024 are required to meet SB 1383 container colorization (Gray/Black, Blue and Green lids) and labelling requirements. New containers purchased after July 1, 2024 shall also have SB 1383 compliant graphic-based labels identifying the acceptable materials permitted within each source-separated container. All existing bins and/or carts currently in use at the time of this amendment's effectiveness shall be compliant with SB 1383 color and labelling requirements by no later than January 1, 2036.

3. Commercial/Industrial Bins and/or carts

Commercial and Industrial Customers will have options for various sizes of metal bins and/or carts depending on space restrictions material types, and individual volume needs per commodity type.

b) Physical Space and De Minimis Waivers

CONTRACTOR shall assist CITY in connection with Commercial Customer applications for Physical Space Waivers and De Minimis Waivers applied for in compliance with the applicable provisions. CONTRACTOR shall assist CITY with the evaluation and verification of the details in the Customer waiver applications and assist with preparation of CITY's written determinations on Customer waiver applications.

c) Tier one and Tier Two Commercial Generators

No later than January 1, 2024, CONTRACTOR shall identify all Commercial Customers that meet the definition of Tier One and Tier Two Commercial Edible Food Generators and provide a list of such Customers to the CITY, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of

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business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions).

d) Site Visits and Waste Assessments

1. CONTRACTOR will include an outreach and technical assistance plan in the AB 341, AB 827, AB 1826, and SB 1383 Implementation Plan identifying the site visit schedule for which to send a CONTRACTOR representative to visit each Multi-Family and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and Source Separated Organic Materials are being Disposed; assessing Source Separated Recyclable Materials and Source Separated Organic Materials Collection service level needed to meet the requirements of SB 1383, and encouraging all Generators to establish Source Separated Recyclable Materials and Source Separated Organic Materials Collection service beginning July 1, 2024, when mandatory service is required by issuance of this amended and restated agreement. CONTRACTOR shall also notify Customers of opportunities to reduce costs by enrolling in Source Separated Recyclable Materials and Source Separated Organic Materials Collection service and reducing Gray/Black Container Waste/Mixed Waste Collection service. CONTRACTOR shall contact Multi-Family and Commercial Customers and provide site visits according to the CITY-approved schedule, but no less than annually. Commencing July 1, 2024, CONTRACTOR will also provide a site visit to any Multi-Family and Commercial Generator that requests a site visit, even if it is ahead of the schedule mutually determined by the CITY and Contractor in the Implementation Plan. Any internal Recycling programs or third-party Recycling programs (where a customer either donates or sells their recyclable materials) that the CONTRACTOR encounters while conducting Customer site visits shall be documented using a CITY-approved electronic reporting form and provided in an electronic format such as a cloud-based file-sharing system that can be accessed by the CITY or its representatives. The CITY and CONTRACTOR agree to meet annually to discuss modifications and changes to the Implementation Plan to ensure its effectiveness.

2. Beginning July 1, 2024, and annually thereafter, CONTRACTOR representative shall follow-up with Multi-Family and Commercial Generators who are required to participate in Source Separated Recyclable Materials and Source Separated Organic Materials Collection service under Applicable Law, including but not limited to AB 341, AB 1826, and SB 1383. The CONTRACTOR shall ensure that these Generators are participating in the Source Separated Recyclable Materials and Source Separated Organic Materials Collection Service. If the Generator is not in compliance or not participating, the representative shall assist the Customers with selecting appropriate Containers and Container sizing, identifying acceptable Organic Waste collection services as set forth, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and Source Separated Organic Materials Collection service. Should any customer refuse mandatory collection service of Source Separated Recyclable Materials and/or Source Separated Organic Materials, and not qualify an applicable waiver, CONTRACTOR will notify CITY within two (2) business days for CITY's enforceable action.

3. For each on-site waste assessment conducted by CONTRACTOR, CONTRACTOR shall include documentation of the items listed below. CITY reserves the right to request

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CONTRACTOR's documentation of additional information and shall authorize the format for required information.

- a. Pictures of material in all Containers
 - b. Characteristics of the property, business, and Generator type
 - c. Written recommendations for the appropriate service Level for each material type
 - d. Provision of outreach and education materials appropriate to the Generator type
 - e. Determination of signage placement
 - f. Determination of any on-going training needs
 - g. Determination of any access needs
 - h. Documentation of any special service needs, (such as, but not limited to, seasonal, automated on-call compactor, etc.)
 - i. Documentation of records of communications with the Generator
- e) Contamination Monitoring and Enforcement

CONTRACTOR shall institute a contamination minimization program which will include:

1. Route Reviews/Container Inspections: Carts shall be randomly selected and inspected along each route on a periodic basis; and
2. Notifications to Customers: Cart tags will be issued to inform Customers of proper material separation requirements and observed contamination in compliance with Chapter 8.16 of the Lathrop Municipal Code; and
 - a. Contamination monitoring is primarily done by the CONTRACTOR. For generators with a contaminated container, CONTRACTOR will issue contamination notices; multiple notices will trigger a more detailed inspection by an auditor or penalty.
 - b. If the CONTRACTOR first finds a contaminated container, they shall notify the generator by written notice attached to the contaminated container and shall provide a copy of the notice to the CITY.
 - c. If the CONTRACTOR finds a contaminated container a second time, they shall notify the generator by a written "second notice" attached to the contaminated container and shall provide a copy of this "second notice" to the CITY for possible follow up and enforcement.
 - d. The CONTRACTOR may refuse to empty the container if the CONTRACTOR finds a contaminated container a third time. Subject to California Code of

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Regulations Title 14, Section 17331, or if determined by the CITY, the generator may face potential penalties. If the container is not emptied, the CONTRACTOR must leave a tag and send a written notice to the generator, identifying the incorrect materials and describing what action must be taken for the materials to be collected; provided, however, that the CONTRACTOR may not refuse on this basis to empty containers from multifamily or commercial properties with multiple tenants and joint account collection service.

e. Generators will receive three written "courtesy warning" notices prior to the enforcement of the first penalty violation listed below:

Residential Generator		Commercial Generator	
1st violation	\$50.00	1st violation	\$100.00
2nd violation	\$100.00	2nd violation	\$250.00
3rd and subsequent violations	\$250.00	3rd and subsequent violations	\$500.00

(Ord. 21-427 § 1)

f) **Inspection Program**

CONTRACTOR shall implement a container inspection program in compliance with the requirements of SB 1383. CONTRACTOR shall perform contamination inspections with CONTRACTOR's personnel on Collection vehicles, and periodic route reviews. Collection vehicle personnel may conduct contamination inspections lifting the Container lid and observing the contents. Additionally, route reviews will be conducted by a dedicated Recycling Coordinator and a dedicated Route Auditor who will perform contamination monitoring, lifting Container lids and observing Container contents for evidence of contamination.

g) **Record Keeping**

The driver or other CONTRACTOR representative shall record each event of identification of Prohibited Container Contaminants in a written log, the on-board computer system, or a cloud-based reporting software including date, time, Customer's address, type of Container (Blue, Green, or Gray or Black Container); and maintain photographic evidence, if required. CONTRACTOR shall submit this record to the CONTRACTOR's Customer service department, and CONTRACTOR's Customer service department shall update the Customer's account record to note the event, if the documentation of the on-board computer system did not automatically update the Customer's account record.

h) **Contamination Monitoring**

CONTRACTOR will implement Physical Container Inspections to comply with the requirements of this Section. Commencing on or after July 1, 2024, the CONTRACTOR shall, at its sole expense, conduct hauler route reviews for Prohibited Container Contaminants in Containers in a manner that is deemed safe by the CONTRACTOR; is approved by the CITY; and is conducted in a manner that results in all hauler routes being reviewed annually or more frequently. The CONTRACTOR shall conduct hauler route reviews that include inspection of the contents of Blue, Green, and Gray/Black Containers

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for Prohibited Container Contaminants in a manner that a minimum of five percent (5%) of accounts on each and every hauler route are randomly inspected annually. CONTRACTOR shall develop a hauler route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b).

i) Annual Compliance Reviews

1. General Compliance Reviews:

CONTRACTOR shall perform compliance reviews described in this Section commencing July 1, 2024 and at least annually thereafter, unless otherwise noted. CONTRACTOR shall keep and maintain SB 1383 customer compliance enforcement records within a cloud-based system format, and CITY will be provided access credential to access the customer enforcement action data as may be required for purposes of CalRecycle requests made pursuant to 14 CCR 18995.2.

2. Commercial Generator Compliance Reviews:

The CONTRACTOR shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste to determine their compliance with: (i) Generator requirements under the CITY's Collection program; and, (ii) if applicable for the Generator, Self-Hauling requirements per 14 CCR Section 18988.3 and Chapter 8.16 of the Lathrop Municipal Code, including whether a Commercial Business is complying through Self-hauling of SSBCOW and SSGCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the CITY may request that the CONTRACTOR perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information. CONTRACTOR shall implement and maintain AB 341 and AB 1826 diversion programs such that all commercial customers required to have such programs are subscribed to the CONTRACTOR-provided program, unless the customer has been granted a waiver per the CITY Code or the customer otherwise complies via third party program, self-haul, or has hired a Licensed Industrial Hauler.

j) SB 1383 Customer Outreach Records

CONTRACTOR shall keep and maintain SB 1383 customer outreach records within a cloud-based system format, and CITY will be provided viewer access credentials to access the customer outreach data as may be required for purposes of CalRecycle requests made pursuant to 14 CCR 18988.4.

k) SB 1383 Data Reporting

1. CONTRACTOR shall assist CITY with SB 1383 initial CalRecycle compliance reporting by providing compliance data needed for CITY generated reports to CalRecycle in accordance with 14 CCR 18994.2.

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2. CONTRACTOR shall assist CITY with SB 1383 annual CalRecycle compliance reporting by providing compliance data needed for the CITY-generated Annual compliance report to CalRecycle in accordance with 14 CCR 18994.2.

XIV. NON-COMPLIANT CUSTOMERS

CONTRACTOR shall document any customers that are not in compliance with the required mandatory programs per AB 341, AB 1826, and SB 1383, and forward the list of non-compliant customers to CITY upon request.

XV. DIVERSION

CONTRACTOR shall cooperate with CITY in Solid waste stream audits and shall implement measures adequate to achieve the diversion goals set forth in this Contract utilizing the CalRecycle per capita disposal and goal measurement system, expressed as pounds per person per day. The emphasis will be on program implementation, actual recycling, and other diversion programs in lieu of estimated diversion percentages. During the Term of this Contract, CONTRACTOR, at no expense to CITY, shall submit to CITY all relevant information and reports required to meet the reporting obligations imposed by CalRecycle under the Act, as amended. CONTRACTOR agrees to submit such reports and information by email or on computer discs, in a format acceptable to CITY at no additional charge, if requested by CITY. CONTRACTOR shall maintain adequate records, and corresponding documentation, of information required by this Contract, such that the CONTRACTOR is able to produce accurate monthly, quarterly and annual reports, and is able to provide records to verify such reports. CONTRACTOR will make these records available and provide to the CITY any record or documentation necessary for the CITY to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 901, SB 1383, and other current or future federal, State, or local regulations, as amended. Upon request by the CITY, CONTRACTOR shall provide access to CONTRACTOR's requested records in a timely manner, not to exceed ten (10) Business Days from the time of CITY's request to CONTRACTOR, unless otherwise extended by written request.

XVI. PERFORMANCE BOND

CONTRACTOR shall post a performance bond in the principal sum of \$2,000,000.00 to secure full and faithful performance of its duties and obligations under this Contract within thirty (30) days of the execution of this Contract.

XVII. PERMITS; COMPLIANCE WITH LAW

CONTRACTOR shall, at its expense, obtain all necessary permits, licenses, easements, etc., for the construction of the project, give necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules, and regulations relating to the work and to the preservation of the public health and safety.

XVIII. NOTICE

Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner.

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- a) If the notice is given to the CITY, by personal delivery thereof to the CITY's Director of Public Works, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the CITY's Director of Parks and Recreation, postage prepaid and certified;
- b) If the notice is given to the CONTRACTOR, by personal delivery thereof to said CONTRACTOR or to its duly authorized representative at the City of Lathrop, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the CONTRACTOR at the address set forth by the CONTRACTOR's postage prepaid and certified; or
- c) If the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to such surety or other person, as the case may be, at the address of such surety or person last communicated by it to the party giving the notice, postage prepaid and certified.

XIX. ACCIDENT PREVENTION

Precautions shall be exercised at all times for the protection of persons (including employees) and property.

The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Occupational Safety and Health Standards Board of the State of California.

XX. INSURANCE

On or before beginning any of the services or work called for by any term of this, CONTRACTOR, at its own cost and expense, shall carry, maintain for the duration of the Contract, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONTRACTOR shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONTRACTOR has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Contract prior to execution.

- a) Workers' Compensation

CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONTRACTOR. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONTRACTOR may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONTRACTOR, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Contract.

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b) Commercial General and Automobile Liability Insurance

CONTRACTOR, at CONTRACTOR'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Contract in an amount not less than five million dollars per occurrence (\$5,000,000), combined single limit coverage for risks associated with the work contemplated by this Contract. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Contract or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Contract, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

1. CITY, its officers, employees, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONTRACTOR, products and completed operations of CONTRACTOR; premises owned, occupied, or used by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
2. The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
3. An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
4. Any failure of CONTRACTOR to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
5. Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
6. Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.

c. Deductibles and Self-Insured Retentions

CONTRACTOR shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Contract. During the period covered by this Contract, upon express written authorization of CITY Manager,

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CONTRACTOR may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY Manager may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONTRACTOR procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

d. Notice of Reduction in Coverage

In the event that any coverage required under subsections (a), (b), or (c) of this section of the Contract is reduced, limited, or materially affected in any other manner, CONTRACTOR shall provide written notice to CITY at CONTRACTOR'S earliest possible opportunity and in no case later than five days after CONTRACTOR is notified of the change in coverage.

e. In addition to any other remedies CITY may have if CONTRACTOR fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:

1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Contract;
2. Order CONTRACTOR to stop work under this Contract or withhold any payment which becomes due to CONTRACTOR hereunder, or both stop work and withhold any payment, until CONTRACTOR demonstrates compliance with the requirements hereof;
3. Terminate this Contract.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONTRACTOR'S breach.

XXI. INDEMNIFICATION

CONTRACTOR agrees to protect, defend, indemnify and hold CITY, its CITY Council members, officers, employees, engineer, and consultants harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of CONTRACTOR, or which results from CONTRACTOR's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from CONTRACTOR's failure to do anything required under this Contract or for doing anything which CONTRACTOR is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on CONTRACTOR in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole willful or negligent act or omission of CITY or any of its CITY Council members, officers, employees.

This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by CONTRACTOR under this Contract at any time during the term of this Contract, or arising thereafter.

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XXII. SEVERABILITY

Nothing contained in the Contract shall be construed so as to require the commission of any act contrary to law. Should a conflict arise between any provision contained herein and any present or future statute, law, ordinance, or regulation contrary to which the parties have no legal right to contract or act, the latter shall prevail and the provision of this Contract which is affected shall be curtailed and limited but only to the extent necessary to bring it within the requirements of the law. If such curtailment or limitation is not possible, the affected provision shall be of no force and effect. Except as aforesaid, such illegality shall not affect the validity of this Contract.

XXIII. COMPLETE CONTRACT

This Contract supersedes any and all Contracts, either oral or in writing, between the Parties with respect to the subject matter herein.

Each party to this Contract acknowledges that no representation by any party which is not embodied herein or any other Contract, statement, or promise not contained in this Contract shall be valid and binding.

XXIV. INTERPRETATION

The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Contract with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of the Contract.

In the event of a controversy or dispute between the parties concerning the provisions herein, this document shall be interpreted according to the provisions herein and no presumption shall arise concerning the draftsmanship of such provision.

XXV. APPLICABLE LAW

The parties hereto understand and agree that the terms of this Contract, and its Exhibits, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California.

In the event of a dispute concerning the terms of this Contract, the parties hereto expressly agree that the venue for any legal action shall be with the appropriate court in the County of San Joaquin, State of California.

XXVI. MISCELLANEOUS

a) Consent

Whenever in this Contract the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.

b) Controlling Law

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The parties agree that this contract shall be governed and construed by and in accordance with the Laws of the State of California.

c) Definitions

The definitions and terms are as defined in these specifications.

d) Force Majeure

Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Contract, which directly results from an Act of God or an act of a superior governmental authority.

e) Headings

The paragraph headings are not part of this Contract and shall have no effect upon the construction or interpretation of any part of this Contract.

f) Incorporation of Documents

All documents constituting the Contract documents and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Contract and shall be deemed to be part of this Contract.

g) Integration

This Contract and any amendments hereto between the parties constitute the entire Contract between the parties concerning the Project and Work, there are no other prior oral or written Contracts between the parties that are not incorporated in this Contract.

h) Modification of Contract

This Contract shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.

i) Provision

Any Contract, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Contract shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.

j) Severability

If a court of competent jurisdiction finds or rules that any provision of this Contract is void or unenforceable, the provisions of this Contract not so affected shall remain in full force and effect.

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k) Status of CONTRACTOR

In the exercise of rights and obligations under this Contract, CONTRACTOR act is as an independent contractor and not as an agent or employee of the CITY. CONTRACTOR shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONTRACTOR expressly waives any and all claims to such right and benefits.

l) Successors and Assigns

The provisions of this Contract shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.

m) Time of the Essence

Time is of the essence of this Contract and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.

n) Venue

In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for Eastern District of California.

o) Recovery of Costs

The prevailing party in any action brought to enforce the terms of this Contract or arising out of this Contract may recover its reasonable costs, including reasonable attorney's fees, incurred, or expended in connection with such action against the non-prevailing party.

XXVII. NOTICE TO PROCEED

Prior to commencing work under this Contract, CONTRACTOR shall receive a written "Notice to Proceed" from the CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. CITY shall not be obligated to pay CONTRACTOR for any services prior to issuance of the Notice to Proceed.

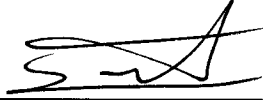
XXVIII. SIGNATURES

The individuals executing this Contract represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Contract on behalf of the respective legal entities of the CONTRACTOR and the CITY. This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

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Approved as to Form:

City of Lathrop
City Attorney



Salvador Navarrete

5.2-2024

Date

Recommended for Approval:

City of Lathrop
Director of Parks and Recreation

Todd Sebastian

Date

Approved By:

Resolution # _____

CITY of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

Contractor:

Lathrop Sunrise Sanitation Corporation
dba Republic Services
PO Box 201061
Stockton, CA 95201

Fed ID # **68-0349203**

Lathrop Business License # **N/A**

Signature

Date

Print Name and Title