Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4685

Memorandum of Understanding For Refuse Collection between the City and County of San Francisco and Sunset Scavenger Company, Golden Gate Disposal & Recycling Company and SF Recycling & Disposal Company, Inc.

This Agreement is made effective the 1st day of April, 2007, in the City and County of San Francisco, State of California, by and among Sunset Scavenger Company, Golden Gate Disposal & Recycling Company and SF Recycling & Disposal Company, Inc., hereinafter collectively referred to as the "Companies" or the "Contractors" and each a "Company" or "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as the "City" or the "Purchaser," acting by and through its Director of the Office of Contract Administration (the "Director") or the Director's designated agent, hereinafter referred to as "Purchasing." The City and the Companies are collectively referred to herein as the "Parties" and each a "Party."

Recitals

WHEREAS, the City wishes to obtain refuse collection and recycling services for the City Departments; and,

WHEREAS, the Companies jointly and severally represent and warrant that they are qualified to perform the services required by the City as set forth under this Contract; and,

NOW, THEREFORE, the Parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the City Controller (the "Controller"), and the amount of the City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. The City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. The City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Each Contractors' assumption of risk of possible non-appropriation is part of the consideration for this Agreement. Notwithstanding the provisions of this paragraph, following the termination of this Agreement pursuant to the provisions of this Section 1, the City shall remain obligated to pay the Companies for any Services performed by the Companies or other liabilities incurred by the City prior to

the termination of this Agreement except to the extent such obligations are otherwise specifically limited by the provisions of this Agreement.

Nothing in this Section 1 or elsewhere in this Agreement shall affect the obligations of the City and the Companies as may otherwise be provided by law, ordinance or agreement except as to matters specifically governed by this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2007 to June 30, 2011 (the "Initial Term"); provided, however, that the Purchaser may, in its sole discretion extend this Agreement for two (2) additional one (1) year periods (the "Option Periods" and each an "Option Period"); provided that, the compensation rates for any services provided during any Option Period shall be as set forth in Section 5. The Purchaser may exercise this option by providing written notice to the Companies at least six months prior to any applicable termination date for the Initial Term or the first Option Period, as applicable, and shall notify the City's Board of Supervisors of such extension.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds in connection with the initial year (or such lesser period if appropriate) of the term of this Agreement and the Contractors have been notified in writing of such certification.

4. Services Contractors Agree to Perform

a. Services. The Companies jointly and severally agree to perform the services as provided for in Appendix A (the "Services") attached hereto and incorporated by reference as though fully set forth herein. Notwithstanding any other provision of this Agreement, the Companies shall not be required to perform any Services unless the City has appropriated funds for the provision of such Services. Unless otherwise specified in this Agreement, the Services shall be provided by the appropriate Contractor as determined by the Companies. The Services as set forth in Appendices A may be modified from time to time as agreed to in writing by the Parties. Except as specifically provided in this Agreement, the Contractors shall secure, provide, supply and maintain all labor, materials, supplies and equipment necessary to perform the Services, including, without limitation, containers and trucks.

b. Other Agreements. This Agreement shall supersede all other outstanding contracts between the Companies and any City Department with regard to the provision of the Services, except for (i) the 1988 Facilitation Agreement between the City and Sanitary Fill Company (now SF Recycling & Disposal Company, Inc.), (ii) the 1987 Waste Disposal Agreement among the Oakland Scavenger Company, the City and Sanitary Fill Company and (iii) the Agreement between the Treasure Island Development Authority ("Treasure Island") and Golden Gate Disposal & Recycling Company (the "TI Development Agreement") as it relates to services that are provided for the City. Notwithstanding the preceding, if the Treasure Island Development Authority is assumed by the City and the TI Development Agreement is terminated, the Companies may provide services to the Treasure Island Development Authority under the terms of this Agreement.

5. Compensation

a. Timing of Payments; Limit. Compensation shall be made in monthly payments on or before the last day of each month for Services, as set forth in Section 4 of this Agreement, that have been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement for the Initial Term exceed twenty-three million thirty-seven thousand five hundred twenty-seven dollars and no cents ($23.037.527.00).

b. Rates. The initial Service rates associated with this Agreement appear in Appendix A1 (the "Rate Schedules") attached hereto and incorporated by reference as though fully set forth herein. The rates for Services set forth in the Rate Schedules are consistent with the 2006 San Francisco Rate Order and DPW Order No. 176,100 and DPW Order No. 176,099 (collectively, the "2006 Rate Order"). The Rate Schedules shall be subject to adjustment as set forth in Sections 5(c) and 5(d) and as otherwise provided for in this Agreement.

c. Cost of Living Adjustments ("COLA"). In addition to any rate adjustments set forth in Section 5(d), the rates in Appendix A1 shall increase annually by a COLA as provided in this Section 5(c). No later than May 20 of each year of the term of this Agreement, the Companies shall notify the Purchaser of the amount of the COLA increase and the Purchaser shall verify such amount. The COLA increase for Appendix A1 will become effective July 1 of each year. The COLA will be determined using the following formula:

Index	Cost Adjustment Factors	
CBA Wage incr.	Fixed COLA Adjustment Factor (Fixed Labor)	65.3%
CPI-SF	Variable COLA Adjustment Factor (Variable Labor)	4.5%
PPI Less Fuels	Variable COLA Adjustment Factor (Variable Materials)	15.2%
Zero Inflation	Existing Capital Costs and Fixed Disposal Costs	12.1%
EIA CA Diesel	Fuel Cost Adjustment Factor	3.0%
Total		100%

The adjustments as set forth in this Section 5(c) shall apply to both the Initial Terms and any Option Periods.

d. Rate Adjustments. Whenever the rates that the Companies charge their residential customers are adjusted in accordance with the 2006 Rate Order or any subsequent San Francisco Rate Order applicable to the Companies, the rates that the Companies charge the City for Services immediately prior to such adjustment shall be immediately adjusted by the same percentage as the adjustment to the residential customers. Such adjustments shall apply to the Initial Term and any Option Periods; provided that, the increases authorized by this Section 5(d) shall be calculated before the application of any COLA amount or other adjustment authorized by Section 5(c).

e. Recycling Incentive Program. The Parties desire to encourage Recycling (as such term is defined in Appendix A) and increased Diversion (as such term is defined in Appendix A) of waste generated by the City Departments. Accordingly, the Parties agree to work together to utilize a Uniform Commercial Rate Structure (as defined in Section 5(i)) and implement the Recycling Incentive Program (as defined in Section 5(i)) undertaken by the Companies pursuant to the 2006 Rate Order. Upon ratification of this Agreement, the Companies shall implement the Uniform Commercial Rate Structure based upon the rates set forth in Appendix A1. In addition to the Uniform Commercial Rate Structure, the Recycling Incentive Program will also be implemented for all City Departments. The Companies, in

accordance with its current practices relating to the Recycling Incentive Program, will provide, where appropriate. Recycling Incentive Program discounts and additionally, where appropriate, the Companies will apply service fee caps to allow time for the City Departments to transition to the Uniform Commercial Rate Structure. The Companies shall, in good faith, determine the amount of any Diversion and the amounts to be charged to the City Departments as a result of the Recycling Incentive Program.

f. Parks & Recreation Services. Because of the inconsistent nature associated with the seasonal and weekend use of public spaces such as parks, public facilities and /or public meeting halls, these facilities often do not utilize refuse collection facilities at as high a rate as other City Departments. In recognition of this, the Companies shall provide Services to the City's Parks and Recreation Department ("Parks & Recreation") at a 25% discount (other than for debris box rates established for construction and demolition debris boxes, which shall be charged at the same rate as the remainder of the City) to the rates set forth in the Rate Schedules for the remainder of the City as such rates may be adjusted from time to time in accordance with the provisions of Sections 5(c) and 5(d). A separate set of schedules is set forth in the Rate Schedules for Parks & Recreation to reflect the 25% discount.

g. Provision of Services. No charges shall be incurred under this Agreement nor shall any payments become due to any Contractor until the services to which such payments relate are received from such Contractor and the related billings are approved by the City Department head as being in accordance with this Agreement. Upon prior written notice to the applicable Company setting forth the nature of the Company's failure under this Agreement, a City Department may withhold payment to a Contractor in any instance in which such Contractor has failed or refused to satisfy any material obligation provided for under this Agreement in connection with such City Department.

h. Liability For Late Payment. In no event shall the City be liable for interest or late charges for any late payments resulting from the actions or inactions of the Companies.

i. Description of Terms. As used in this Section 5, the follows terms are described as set forth in this Section 5(i):

(1) A uniform commercial rate structure (the "Uniform Commercial Rate Structure") has been implemented by the Companies for purposes of reflecting the planned migration to a 75% rate of Diversion and 0% waste, and incentivizing commercial customers to help the City reach those Diversion goals. The rates charged for all refuse and recycling collection services are based on a single set of rate tables that do not differentiate between the types of collection services. The Uniform Commercial Rate Structure includes a base rate and a variable service rate. The base rate covers certain system fixed costs that do not include the direct costs for refuse, recycling and organics service, while the variable rate is based on the service volume for refuse, recycling and composting collection. Under the Uniform Commercial Rate Structure, the variable rate is discounted in proportion to the percentage of Diversion service volume up to 75%, while the fixed costs remain the same.

(2) The recycling incentive program (the "Recycling Incentive Program") is the mechanism whereby the Companies in good faith determine the actual Diversion rates on a customer specific basis. Upon determining the Diversion rate, a calculation is performed to provide for a recycling incentive based upon the calculated Diversion rate. The Recycling Incentive Program will then be applied to the variable portion of the Uniform Commercial Rate Structure. The maximum allowable incentive obtainable is 75%. For commercial customers that participate in the clear-bag program, in which Recyclables are commingled with Trash (as such term is defined in Appendix A), a 10% discount is available. The Recycling Incentive Program requires that all non-recyclables be placed in clear bags.

6. Guaranteed Maximum Costs

a. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse any of the Contractors for, Services beyond the agreed upon scope of this Agreement unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which this Agreement is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments under this Agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

e. Notwithstanding any other provision of this Section 6, the City agrees to pay the Companies for any Services specifically requested by any City Department or City agency, including variable services, extension of services, unforeseen services and any new services agreed to be provided to the City by the Companies; provided that, this Agreement has been modified in accordance with Section 48 to cover such Services.

7. Payment; Invoice Format

Invoices furnished by each Contractor under this Agreement must be in a form acceptable to the Controller. If feasible, a single blanket Purchase Order will be used for all of the Services and the Companies will be able to bill Services to the various City Departments (e.g., Department of Public Works, Public Utilities Commission, Parks & Recreation, Port of San Francisco) and the Treasure Island Development Authority under the blanket Purchase Order. The Companies shall invoice individual City Departments in the manner specified by the Purchaser. All amounts paid by the City to the Companies shall be subject to audit by the City. The City is exempt from federal taxes except for articles for resale. The Companies will enter state and local sales or use taxes and other excise taxes, if applicable, on invoices; provided that, the City shall pay no more than the amounts set forth in Section 6 and provided further that any such taxes charged to the City shall be included in the guaranteed maximum cost under Section 6.

Payments shall be made by the City to each Contractor at the address specified in Section 25 or to such other address as shall be specified by the applicable Contractor upon written notice to the City.

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to $10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes

to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Left blank by agreement of the Parties.

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of the Contractors; provided, however, that in the event that a sales or similar tax is levied on a provision of any Service by the Contractors, the Contractors may collect from the City the amount of any such sales or similar tax.

b. Each Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless this Agreement entitles the Contractor to possession, occupancy or use of the City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Each Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Each Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Each Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Each Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Each Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Each Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by the City or the receipt thereof by any of the Contractors, shall in no way lessen the liability of each Contractor to replace unsatisfactory work, equipment or materials,

although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components or workmanship that do not conform to the requirements of this Agreement may be rejected by the City and in such case must be replaced by the Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of each Contractor. Each Contractor will comply with the City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at the City's request, must be supervised by the Contractors. Each Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement. Each Contractor shall, at all times, adhere to all applicable local, state and federal health and safety requirements concerning workers in its employ.

13. Responsibility for Equipment

The City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by each Contractor, or by any of its employees, even though such equipment is furnished, rented or loaned to a Contractor by the City. Upon written notification from the City, each Contractor shall promptly repair, at no cost to the City, any damage that the City and the Contractor reasonably determine that the Contractor has caused to property of the City. Nothing in this Section 13 shall limit the Contractors' obligations under Section 16.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor. Each Contractor or any agent or employee of each Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by the City under this Agreement. Each Contractor or any agent or employee of each Contractor shall not have employee status with the City, nor be entitled to participate in any plans, arrangements or distributions by the City pertaining to or in connection with any retirement, health or other benefits that the City may offer its employees. Each Contractor or any agent or employee of each Contractor is liable for the acts and omissions of itself, its employees and its agents. Each Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance and other similar responsibilities related to such Contractor's performing services and work, or any agent or employee of each Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between the City and any Contractor or any agent or employee of any Contractor.

Any terms in this Agreement referring to direction from the City shall be construed as providing for direction as to policy and the result of each Contractor's work only, and not as to the means by which such a result is obtained. The City does not retain the right to control the means or the method by which any Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses. Should the City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that any Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by that Contractor

which can be applied against this liability). The City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by any Contractor for the City, upon notification of such fact by the City, such Contractor shall promptly remit such amount due or arrange with the City to have the amount due withheld from future payments to such Contractor under this Agreement (again, offsetting any amounts already paid by such Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, none of the Contractors shall be considered an employee of the City. Notwithstanding the foregoing, should any court, arbitrator or administrative authority determine that such Contractor is an employee for any other purpose, then such Contractor agrees to a reduction in the City's financial liability so that the City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator or administrative authority determined that such Contractor was not an employee.

15. Insurance

a. Without in any way limiting the Contractors' liability pursuant to Section 16, each Contractor must maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, illness or injury; and

(2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations: and

(3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the City and County of San Francisco, its officers, agents and employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom a claim is made or a suit is brought.

c. All policies shall provide not less than thirty days' advance written notice to the City of reduction or non-renewal of coverages or of cancellation of coverages for any reason. Notices shall be sent to the following address:

Office of Contract Administration

d. Should any of the required insurance be provided under a claims-made form, each Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after the expiration of this Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, each Contractor shall do the following: (i) furnish to the City certificates of insurance and additional insured policy endorsements from insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to the City, in form evidencing all coverages set forth above; and (ii) furnish complete copies of policies promptly upon the City's request. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by the City shall not relieve or decrease the liability of any Contractor hereunder.

16. Indemnification

Each Contractor shall indemnify and save harmless the City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability and claims thereof for injury to or death of a person, including employees of the Contractor or loss of or damage to property, arising directly or indirectly from such Contractor's performance of this Agreement, including, but not limited to, the Contractor's use of facilities or equipment provided by the City or others, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except to the extent loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of the City. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and the City's costs of investigating any claims against the City.

In addition to each Contractor's obligations to indemnify the City, each Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to such Contractor by the City and continues at all times thereafter.

Each Contractor shall indemnify and hold the City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights,

copyright. trade secret or any other proprietary right or trademark. and all other intellectual property claims of any person or persons in consequence of the use by the City. or any of its officers or agents, of articles or services to be supplied in such Contractor's performance of this Agreement.

17. Incidental and Consequential Damages

Each Contractor shall be responsible for incidental and consequential damages resulting from such Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the City may have under applicable law.

18. Liability of the City

THE CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THOSE PROVISIONS SPECIFICALLY SET FORTH IN THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL THE CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT. FOR ANY SPECIAL. CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING. BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liability of the Companies

EACH COMPANY SHALL ONLY HAVE THE LIABILITIES UNDER THIS AGREEMENT FOR THE SERVICES PROVIDED BY SUCH COMPANY AND SHALL NOT BE OBLIGATED FOR A VIOLATION OF THIS AGREEMENT BY ANY OTHER COMPANY; PROVIDED THAT, A TERMINATION OF THIS AGREEMENT WITH REGARD TO ONE COMPANY SHALL BE A TERMINATION OF THE ENTIRE AGREEMENT WITH REGARD TO EACH COMPANY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE TOTAL AMOUNT OF DAMAGES PAYABLE BY EACH CONTRACTOR PURSUANT TO THIS AGREEMENT, INCLUDING PURSUANT TO SECTIONS 16 AND 17, SHALL NOT EXCEED THE TOTAL AMOUNT OF COMPENSATION RECEIVED OR TO BE RECEIVED BY SUCH CONTRACTOR FOR THE PROVISION OF SERVICES UNDER THE TERMS OF THIS AGREEMENT.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Any Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 24, 30 and 57.

(2) Any Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement in any material manner, and such default continues for a period of ten days after written notice thereof from the City to such Contractor.

(3) Any Contractor (A) is generally not paying its debts as they become due, (B) files, or consents by answer or otherwise to the filing against it of. a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction. (C) makes an assignment for the benefit of its

creditors, (D) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of such Contractor or of any substantial part of such Contractor's property or (E) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (A) appointing a custodian, receiver, trustee or other officer with similar powers with respect to each Contractor or with respect to any substantial part of each Contractor's property, (B) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (C) ordering the dissolution, winding-up or liquidation of each Contractor.

b. On and after any Event of Default, the City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, the City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of each Contractor any Event of Default; each Contractor shall pay to the City on demand all costs and expenses incurred by the City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. The City shall have the right to offset from any amounts due to each Contractor under this Agreement or any other agreement between the City and each Contractor all damages, losses, costs or expenses incurred by the City as a result of such Event of Default and any liquidated damages due from such Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

d. The Contractors may elect to suspend the provision of any Services or terminate this Agreement if the City fails to pay for any Services within 60 days of receipt of an invoice for such Services in accordance with Section 7; provided, however, that the right to suspend Services or to terminate this Agreement shall not apply to any invoiced amount with which the City has a reasonable dispute. The Contractors may elect to suspend the provision of any Service if it is notified by the City that the City will not longer pay for such Service at the rates set forth in Section 5.

21. Termination of Agreement

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving the relevant Contractor or Contractors written notice of termination. The notice shall specify the date on which termination shall become effective. The parties hereto agree that if the City elects to terminate this Agreement pursuant to this Section 21, the parties may each assert their rights, if any, under the San Francisco Refuse Collection and Disposal Ordinance of 1932, and the execution of this Agreement shall not be deemed to have been a waiver of any such rights.

b. In the event that this Agreement is terminated for any reason at any time other than at the end of the Initial Term or any Option Period, each Contractor shall commence and perform, with diligence, all actions necessary on the part of each Contractor to effect the termination of this Agreement and to minimize the liability of the Contractor and the City to third parties as a result of such termination. All such post-termination actions shall be subject to the prior approval of the City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At the City's direction, assigning to the City any or all of the Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, the City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to the City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

c. Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of a Contractor and in which the City has or may acquire an interest.

d. Promptly following completion of any post-termination services provided by the Contractors, the Contractors shall submit to the City an invoice, which shall set forth all of the outstanding amounts owed by the City to the Contractors. The rates for any service provided by the Contractors after the termination of this Agreement shall be the same as those provided prior to the termination of this Agreement or as otherwise agreed to by the Contractors and the City.

e. In no event shall the City be liable for costs incurred by each Contractor or any of its subcontractors after the termination date specified by the City, except for those costs specifically enumerated and described in Section 21(d).

f. In arriving at the amount due to each Contractor under this Section 21, the City may deduct: (1) all payments previously made by the City for work or other services covered by each Contractor's final invoice; (2) any reasonable claim which the City may have against each Contractor in connection with this Agreement; provided that, if such claim by the City is later determined not to be payable, the City shall promptly make such payment to the Contractor; and (3) in instances in which, in the reasonable opinion of the City, the cost of any post-termination service is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and the City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement; provided that, if all or a portion of such difference is later determined to be payable by the City, the City shall promptly make such payment to the Contractor.

g. The City's payment obligation under this Section 21 shall survive termination of this Agreement.

22. Rights and Duties Upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8, 10, 11, 13 through 19, 21, 24, 28, 48 through 52 and 57.

b. Subject to Section 22(a), upon termination of this Agreement, this Agreement shall terminate and be of no further force or effect. Notwithstanding any other provision of this Section 22, following the termination of this Agreement, the City shall remain obligated to pay the Companies for any Services performed by the Companies or other liabilities incurred by the City prior to the termination of this Agreement except to the extent such obligations are otherwise specifically limited by the provisions of this Agreement. The City's obligation for post-termination services shall be pursuant to Section 21.

23. Conflict of Interest

Through its execution of this Agreement, each Company acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of the City

Each Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, it may have access to private or confidential information which may be owned or controlled by the City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City. Each Contractor agrees that all information disclosed to it by the City shall be held in confidence and used only in the performance of this Agreement. Each Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To the City: Purchaser

with a copy to: City Administrator

Public Utilities Commission

To Contractor: Sunset Scavenger Company

Address 250 Executive Park Blvd., Suite 2100
San Francisco, CA 94134
Attention: John A. Legnitto, Vice President & Group Manager

Email jlegnitto@norcalwaste.com

Fax (415) 468-2209

Golden Gate Disposal & Recycling Company

Address 900 7th Street
San Francisco, CA 94134
Attention: Maurice B. Quillen, Vice President & General Manager

Email mquillen@goldengatedisposal.com

Fax (415) 553-2920

SF Recycling & Disposal Company, Inc.

Address 501 Tunnel
San Francisco, CA 94134
Attention: Mike Crosetti, Vice President & General Manager

Email mcrosetti@norcalwaste.com

Fax (415) 330-1402

Any notice of default must be sent by registered mail. Parties shall provide ten days' notice to each other if the address for the receipt of notice has changed.

26. Left blank by agreement of the Parties.

27. Left blank by agreement of the Parties.

28. Audit and Inspection of Records

Each Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Each Contractor will permit the City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Each Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon the City by this Section 28.

29. Subcontracting

Each Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by the City in writing. None of the Parties shall, on the basis of this Agreement, contract on behalf of or in the name of the other Parties. An agreement made in violation of this provision shall not confer any rights on any party and shall be null and void.

30. Assignment

The Services to be performed by the Companies are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Companies unless first approved by the City by written instrument executed and approved in the same manner as this Agreement. The City shall not sell, assign, subcontract or transfer this Agreement or any part hereof, or any obligation hereunder, without the written consent of the Companies. Consent by any Party to assignment may not be unreasonably withheld.

31. Non-Waiver of Rights

The omission by any Party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants or provisions hereof by another Party at the time designated, shall not be a waiver of any such default or right to which the Party is entitled, nor shall it in any way affect the right of the Party to enforce such provisions thereafter. The acceptance of any monies, which become due under this Agreement, shall not be deemed to be a waiver of any pre-existing provision of this Agreement.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Each Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless such Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by such Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in Section 32(a) shall constitute a material breach by such Contractor of the terms of this Agreement. If, within thirty days after a Contractor receives written notice of such a breach, a Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, a Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any subcontract entered into by any Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section 32 and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Left blank by agreement of the Parties.

34. Nondiscrimination; Penalties

a. Contractors Shall Not Discriminate. In the performance of this Agreement, each Contractor agrees not to discriminate against any employee, the City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) or association with members of such protected classes or in retaliation for opposition to discrimination against such classes.

b. Subcontracts. Each Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Any Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. Each Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in the City, on real property owned by the City, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, each Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section 34 by reference and made a part of this Agreement as though fully set forth herein. Each Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, each Contractor understands that pursuant to §12B.2(h) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against such Contractor and/or deducted from any payments due such Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of each Contractor acknowledges and agrees that he or she has read and understood this Section 35.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City urges contractors not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Each Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1988, the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on the City's premises. Each Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by any Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Each Contractor acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Each Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Each Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of each Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this Section 40 will be made available to the public upon request.

41. Public Access to Meetings and Records

If a Contractor receives a cumulative total per year of at least $250,000 in the City funds or the City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, such Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, each Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the San Francisco Administrative Code. Each Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the San Francisco Administrative Code. Each Contractor acknowledges that its material failure to comply with any of the provisions of this Section 41 shall constitute a material breach of this Agreement. Each Contractor further acknowledges that such material breach of this Agreement shall be grounds for the City to terminate and/or not renew this Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, each Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code (the "Conduct Code"), which prohibits any person who contracts with the City for the rendition of personal services or for the furnishing of any material, supplies or equipment to the City, whenever such transaction would require approval by a City elective officer of the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until the later of either (1) the termination of negotiations for such contract or (2) six months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

43. Requiring Minimum Compensation for Covered Employees

Each Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/oca/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, each Contractor agrees to all of the following:

a. For each hour worked by a Covered Employee during a Pay Period on work funded under the City contract during the term of this Agreement, each Contractor shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and

compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO. Contractor shall pay a minimum of $10.77 an hour beginning January 1, 2005 and for the remainder of the term of this Agreement; provided, however, that contractors that are Nonprofit Corporations or public entities shall pay a minimum of $9 an hour for the term of this Agreement.

b. Each Contractor shall not discharge, reduce in compensation or otherwise discriminate against any employee for complaining to the City with regard to Contractors' compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO or for seeking to assert or enforce any rights under the MCO by any lawful means.

c. Each Contractor understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by a Contractor of the terms of this Agreement. The City, acting through the Contracting Department, shall determine whether such a breach has occurred.

d. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, a Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, a Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

(1) the right to charge a Contractor an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

(2) the right to set off all or any portion of the amount described in Subsection (d)(1) of this Section 43 against amounts due to a Contractor under this Agreement;

(3) the right to terminate this Agreement in whole or in part;

(4) in the event of a breach by a Contractor of the covenant referred to in Section 43(b), the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

(5) the right to bar a Contractor from entering into future contracts with the City for three years.

Each of the rights provided in this Section 43(d) shall be exercisable individually or in combination with any other rights or remedies available to the City. Any amounts realized by the City pursuant to this Section 43(d) shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

e. Each Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

f. Each Contractor shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any

written communications received by each Contractor from the City, which communications are marked to indicate that they are to be distributed to Covered Employees.

g. Each Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the MCO, including reports on subcontractors.

h. Each Contractor shall provide the City with access to pertinent records after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

i. The City may conduct random audits of any Contractor. Random audits shall be (i) noticed in advance in writing, (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO, (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice and (iv) limited to one audit of any Company every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

j. Any subcontract entered into by any Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section 43. A subcontract means an agreement between the Contractor and a third party which requires the third party to perform all or a portion of the services covered by this Agreement. Each Contractor shall notify the Department of Administrative Services when it enters into such a subcontract and shall certify to the Department of Administrative Services that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is each Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the City may pursue any of the remedies set forth in this Section 43 against such Contractor.

k. Each Covered Employee is a third-party beneficiary with respect to the requirements of Sections 43(a) and 43(b), and may pursue the following remedies in the event of a breach by a Contractor of Sections 43(a) and 43(b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Each Contractor understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by a Contractor of Sections 43(a) or 43(b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against a Contractor arising from this Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Each Contractor also understands that the MCO provides that if a Contractor prevails in any such action, such Contractor may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

44. Requiring Health Benefits for Covered Employees

Each Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q,

including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/oca/olse. Capitalized terms used in this Section 44 and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, each Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If a Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if a Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. The Contractors' failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify a Contractor if such a breach has occurred. If, within 30 days after receiving the City's written notice of a breach of this Agreement for violating the HCAO, such Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, such Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

d. Any subcontract entered into by a Contractor shall require the subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Each Contractor shall notify the City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. Each Contractor shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Section 44 against a Contractor based on the subcontractor's failure to comply, provided that the City has first provided the Contractor with notice and an opportunity to obtain a cure of the violation.

e. No Contractor shall discharge, reduce in compensation or otherwise discriminate against any employee for notifying the City with regard to a Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Each Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Each Contractor shall keep itself informed of the current requirements of the HCAO.

h. Each Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

i. Each Contractor shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least five business days to respond.

j. The City may conduct random audits of any Contractor to ascertain its compliance with HCAO. The Contractors agree to cooperate with the City when it conducts such audits.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section 45 by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section 45 and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement.

(1) Subject to the exclusion in the San Francisco Administrative Code Section 84.14 for existing labor agreements and the Collective Bargaining agreement with Teamster Local 350, the Companies shall comply with First Source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the exclusive opportunity to initially provide Qualified Economically Disadvantaged Individuals for consideration for employment for Entry Level Positions. The duration of the First Source interviewing requirement shall be ten (10) days, unless business necessity requires a shorter period of time.

(2) Subject to the exclusion in the San Francisco Administrative Code Section 84.14 for existing labor agreements and the Collective Bargaining agreement with Teamster Local 350, the Companies shall comply with requirements for providing timely, appropriate notification of available Entry Level Positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of Qualified Economically Disadvantaged Individuals to participating Employers.

(3) Subject to the exclusion in the San Francisco Administrative Code Section 84.14 for existing labor agreements and the Collective Bargaining agreement with Teamster Local 350, the Companies shall comply with the First Source hiring requirements. Each Company may establish its good faith efforts by filling: (1) its first available Entry Level Position with a job applicant referred through the First Source Program; and, (2) fifty percent (50%) of its subsequent available Entry Level Positions with job applicants referred through the San Francisco Workforce Development System. Failure to meet this target, while not imputing bad faith, may result in a review of each Company's employment records.

c. Hiring Decisions. Each Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5.000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section 45.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, the Contractors may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Each Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event any Contractor violates the provisions of this Section 46, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and (ii) prohibit the Contractors from bidding on or receiving any new the City contract for a period of two (2) years. The Controller will not consider the Contractors' use of profit as a violation of this Section 46.

47. Preservative-Treated Wood Containing Arsenic

The Contractors may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative or ammoniacal copper arsenate preservative. The Contractors may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Contractors from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Notwithstanding the other provisions of this Agreement, the Appendices to this Agreement shall be modified by the Parties, from time to time, and in the manner provided in this Section 48 to conform to the 2006 Rate Order or any other applicable San Francisco Rate Order applicable to the Companies, to include changes in rates that are required by the provisions of this Agreement and as may be agreed to by the Parties. In addition, the Services to be performed and the locations and other operational matters set forth in the Appendices to this Agreement may be amended from time to time in the manner provided in this Section 48 by the Parties to reflect the actual operations at such time. The Parties, as applicable, shall provided each other with revised Appendices from time to time to reflect any changes in rates, Services or

locations. Any appropriately revised Appendix shall be incorporated by reference into this Agreement as though fully set forth herein and shall supersede any Appendix that it may replace.

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of this Agreement. The determination of Purchasing may be appealed to the City Administrator. The City and the Companies do not waive any legal remedies under this Section 49.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Each Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of the Contractors, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the Parties.

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Nondisclosure of Private Information

Each Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the "Nondisclosure of Private Information Ordinance"), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this Section 57 and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, each Contractor agrees to all of the following:

a. Neither the Contractors nor any of their subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other subcontractor, person or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Contractor received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

b. Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

c. Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives or (2) the law forbids any person from disclosing.

d. Any failure of any Contractor to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar a Contractor, or bring a false claim action against a Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

Each Company shall make a good faith effort to remove all graffiti from any real property owned or leased by such Company in the City and County of San Francisco within forty eight (48) hours of the earlier of such Company's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works, and shall in all cases remove graffiti from any real property owned or leased by such Company in the City and County of San Francisco within five business days of the earlier of such Company's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.). Notwithstanding the other provisions of this Section 58, if a Company, in good faith, is uncertain as to whether something is graffiti, it shall not be required to remove the item until a good faith determination can be made, in accordance with Article 23 of the San Francisco Public Works Code, that the item is graffiti.

59. Execution by Counterpart

This Agreement may be executed in counterparts which taken together shall be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

THE CITY

Recommended by:

Edwin Lee
City Administrator

Recommended by:

N/A

Susan Leal
General Manager of Public Utilities

Approved:

Naomi Little
Director of Office of Contract Administration/Purchaser

Approved as to Form:

Dennis J. Herrera, City Attorney

By: _____
Deputy City Attorney

COMPANIES

By signing this Agreement, each of the undersigned certifies that it complies with the requirements of the Minimum Compensation Ordinance, which entitles Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

Each of the undersigned has read and has understood Paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

SUNSET SCAVENGER COMPANY

_____
Authorized Signature

John A. Legnitto
Printed Name

Vice President & Group Manager
Title

Sunset Scavenger Company
Company Name

_____
City Vendor Number

250 Executive Park Blvd., Suite 2100
Address

San Francisco, CA 94134
City, State, Zip Code

94-0910600
Federal Employer ID #

GOLDEN GATE DISPOSAL & RECYCLING COMPANY

Authorized Signature

Maurice B. Quillen
Printed Name

Vice President & General Manager
Title

Golden Gate Disposal & Recycling Company
Company Name

City Vendor Number

900 7th Street
Address

San Francisco, CA 94134
City, State, Zip Code

94-0844930
Federal Employee ID #

SF RECYCLING & DISPOSAL COMPANY, INC.

Authorized Signature

Mike Crosetti
Printed Name

Vice President & General Manager
Title

SF Recycling & Disposal Company, Inc.
Company Name

City Vendor Number

501 Tunnel
Address

San Francisco. CA 94134
City, State. Zip Code

94-0840895
Federal Employee ID#

APPENDICES

A: Scope of Refuse Collection and Recycling Services for the City Departments

A1 Rates
A2: Schedule and Location for Collection
A3: Department Designees

Appendix A
Scope of Refuse Collection and Recycling Services for the City Departments

Services to be provided by Contractors

This Appendix A is attached to and a part of the Memorandum of Understanding For Refuse Collection and Recycling Services between the City and County of San Francisco and Sunset Scavenger Company, Golden Gate Disposal & Recycling Company and SF Recycling & Disposal Company, Inc. (the "Agreement"). Terms not otherwise defined in this Appendix shall have the meanings set forth in the Agreement.

Definitions

1. For the purpose of this Appendix A, the following terms shall apply.

(a) "Administrator" means the City Administrator or his or her designee; provided that, the Companies have been notified in writing concerning such designee.

(b) "Composting" means processing materials into a product through controlled biological decomposition of organic wastes. "Compostables" means any material that is offered for collection that is capable of being composted in San Francisco's programs, including, but not limited to food scraps and vegetable, yard and wood wastes.

(c) "Department Designee" means a person delegated by the Administrator within each department or building where departments share a building that has authority for collection locations under her or his jurisdiction as specified in this Agreement. Appendix A3 is a list of the Department Designees. The Administrator shall have sole discretion to revise the list and shall provide written notice in accordance with Section 25 of the Agreement, to Purchaser and the Companies of any changes.

(d) "Disposal" means the final deposition of Refuse onto land or to incineration or high-temperature conversion. Disposal shall not include deposition of Composted materials onto land.

(e) "Diversion" means activities that reduce the Disposal of Refuse.

(f) "License" means a refuse vehicle license as defined by the San Francisco Refuse Collection and Disposal Ordinance of 1932, as amended from time to time (the "1932 Ordinance").

(g) "Mixed Paper" means paper that consists of miscellaneous office records, including without limitation file folders, correspondence records, manila envelopes, obsolete forms and files, junk mail, chipboard, cardboard, newspaper, magazines, colored paper, white and computer printout and various other types of paper. Mixed Paper may contain paper clips, staples and other small fasteners and up to five (5) percent by net weight of various contaminants.

(h) "Prohibited Waste" means hazardous waste, designated waste, medical waste or sewage sludge as those terms are defined under state law and the January 1987 Waste Disposal

Agreement ("WDA") among the Oakland Scavenger Company, the City and Sanitary Fill Company.

(i) "Rate Order" means the 2006 San Francisco Rate Order applicable to the Contractors or any subsequent San Francisco Rate Order applicable to the Contractors.

(j) "Recycling" means sorting, cleansing, treating and reconstituting materials that would otherwise be disposed of, and returning them to the economic mainstream in the form of raw materials for new, reused or reconstituted products which meet the quality standards necessary for use in the marketplace. Recycling does not include incineration, pyrolysis, distillation, gasification or other high-temperature conversion. "Recyclables" means any material offered for collection that is capable of being Recycled in San Francisco's programs, including but not limited to Mixed Paper, bottles and cans.

(k) "Refuse" means all waste and discarded materials from dwelling places, households, apartment houses, stores, office buildings, restaurants, hotels, institutions and all commercial establishments, including waste or discarded food, animal and vegetable matter from all kitchens thereof, waste paper, cans, glass, ashes and boxes and cuttings from trees, lawns and gardens.

(l) "Trash" means Refuse other than Recyclables and Compostables.

Scope

2. The Companies shall consolidate, collect, transport and handle all Refuse generated by the City Departments on a scheduled basis as specified herein and in Appendix A2. Additional locations may be added by the Department Designee, or the Department of the Environment with the agreement of Department Designee, and shall be charged the applicable collection rate for similar services as shown in Appendix A1.

3. Consistent with the WDA and the 1988 Facilitation Agreement between the City and Sanitary Fill Company, the Companies shall use reasonable efforts to prohibit and prevent the collection and Disposal of Prohibited Waste in any manner inconsistent with applicable laws. At the Department of the Environment's request, the Companies will provide a copy of the Companies' program for identifying Prohibited Waste and complying with federal, state and local laws and regulations dealing with Prohibited Waste.

Equipment and Containers

4. Except for compactors, balers, pallet jacks and other specialized waste equipment which are purchased or leased by the City through separate agreements, the Companies shall provide to the collection locations specified in Appendix A2, no later than the effective date of this Agreement, at no cost to the City, exterior containers for Trash, Recyclables and Compostables; provided that, the Companies reasonably determine that, based on past experience, such containers are reasonably necessary for the Services that are being provided to the City. The containers shall be of sufficient sizes to contain Trash, Recyclables and Compostables generated between collections. The Companies shall provide to the designated location, at no cost to the City, additional exterior containers as required by the Department Designee, or the Department of the Environment with the agreement of the Department Designee, within three (3) calendar days of written notice, in accordance with Section 25 of the

Agreement, to the Companies; provided that, the Companies reasonably determine that, based on past experience, such containers are reasonably necessary for the Services that are being provided to the City.

5. The direction of the Department Designee, or the Department of the Environment with the agreement of the Department Designee, the Companies, without cost to the City, shall provide, store and deliver on an as needed basis Recycling and Composting bins for indoor use (e.g., slimjims and slimlines) and corresponding stickers and posters; provided that, such bins relate to the Services that are to be provided by the Companies. The number of bins and other items to be provided that the Companies shall be limited to the number that the Companies reasonably determine are necessary in accordance with past experience. The City Departments will purchase their own indoor refuse containers.

6. All containers shall be appropriate for the intended use as specified by Department Designee, or the Department of the Environment with the agreement of the Department Designee. All containers provided by the Companies shall be non-absorbent and leak-resistant and must be constructed to prevent loss during collection or transportation. If the Companies fail to provide sufficient and/or adequate containers, the City may purchase and place into service the necessary containers and deduct the cost of such containers from any amounts owed to the Companies.

7. The Companies shall deliver the containers and other items specified in Sections 4 and 5 of this Appendix A during the term of the Agreement. Unless originally owned or purchased by the City or a third party and such purchase price is not directly or indirectly reimbursed by the Companies, all containers and other equipment delivered by the Companies remain the Companies' property. Any containers or other necessary items that are purchased by the City or a third party, but that the Companies directly or indirectly pay for, including by deducting the costs of such items from amounts owed to the Companies, shall be the property of the Companies.

8. All containers of one (1) cubic yard or larger shall be marked by the Companies with the name and phone number of the Collection Company servicing the container.

9. The Department Designee, or the Department of the Environment with the agreement of the Department Designee, may request specific additional materials to facilitate recycling and composting, such as compostable bags. The Contractors shall charge such additional materials to respective City Departments as a separate line pass-through item in the invoice. Any charges for such materials shall be included under the overall cap on the contract price.

10. Left blank by agreement of the Parties.

Cleanliness

11. The containers delivered by the Companies shall be clean and graffiti free. The City agrees to reasonably maintain all exterior containers for cleanliness and appearance. The Companies agree to exchange containers, in accordance with their ordinary course of business, if such containers become old or dirty.

12. The Companies shall be responsible for leaving all containers, equipment, collection locations and the City facilities served in a safe condition, reasonably clear of fluid or debris and reasonably free from residue resulting from spillage. All releases or spillage from exterior containers, equipment or vehicles will be cleaned up by the Companies in accordance with the Companies' ordinary course of business.

Time and Manner of Collection

13. Trash. Recyclables and Compostables shall be collected from the collection locations designated in Appendix A2. Monday through Sunday, other than those holidays on which the Companies do not generally provide service, in a systematic and timely manner as specified in Appendix A2. Changes to collection frequency, day(s) or location(s) may be made by phone or in writing by the Department Designee, or the Department of the Environment with the agreement of the Department Designee, or by the Companies only with the prior written approval of the Department Designee or the Department of the Environment; provided, however, that the Companies must approve any such changes, including all changes to the provisions of Section 15 of this Appendix A, that would materially affect the cost of providing any Services.

14. Title to all Refuse passes to the Companies when it is loaded into the Companies' containers and/or vehicles.

15. Except as provided in Appendix A2:

(a) The Companies shall collect all containers containing Refuse that are subject to putrefaction at least once per week. The Companies shall collect all other containers at least once per month.

(b) Locations where volume requires a collection less often than once per month have been designated as "Roll-Off" in Appendix A2. When collection is required, the Department Designee for these locations shall contact the Companies for service by fax, email or phone and the Companies shall provide collection within twenty-four (24) hours of such notice.

16. The Companies shall collect Recyclables and Compostables in ways that minimize the level of contaminants and maximize the ability to cycle these materials back into reuse or industrial feedstock. The term "Contaminant," as used herein, means any materials that are either unacceptable or problematic when intermixed with Mixed Paper, Compostables, bottles and cans or other recyclables. The Companies shall immediately notify the Department Designee when containers for Recyclables or Compostables are grossly contaminated (to the point that the container contains Trash). Contaminated Recyclables shall be billed at rates for Trash and shall not be subject to any incentives applicable to Recyclables. Contaminated Compostables shall be billed at rates for Trash and shall not be subject to any incentives applicable to Compostables.

17. All Mixed Paper collected under this Agreement shall only be used or sold as paper. The Companies shall not use, allow access to, or offer for resale any paper documents, file record material or any other form of records as files, records or for the information contained therein.

18. Upon fax, email or phone notice of a partial or missed collection of Trash, Recyclables or Compostables by the Department Designee, the Companies shall complete the collection on the day notification was made. If the Companies do not complete the collection of the Trash, Recyclables, or Compostables within 24 hours of the notification, the cost of the partial or missed collection shall be deducted from any amounts the City owes the Companies for the quarter when the missed or partial collection occurred. In the case of a missed collection of Recyclables or Compostables, the cost of a Trash container of the same volume will be deducted from the invoice for that period.

19. The Department Designee for the site, or the Department of the Environment with the agreement of the Department Designee, may initiate emergency, off-hour and additional on-call collections by fax,

email or phone notice to the Companies. Such additional collections will be billed at the regular collection rates applicable for the day that the emergency service is provided (e.g., if a Service is provided on a Sunday, Sunday rates will apply). The Companies shall make an on-call collection within twenty-four (24) hours of the City's notice.

20. The Contractors shall retain the ARC (Association of Retarded Citizens) San Francisco or another work-assistance program for the disabled to provide recycling consolidation services at specific City locations. The Contractors shall charge for these services to respective City Departments as a separate line pass-through item in the invoice. Any charges for such services shall be included under the overall cap on the contract price.

21. In the event of a holiday occurring on a scheduled collection date, collection shall be made on the next business day.

Vehicles

22. The Companies shall utilize only Licensed vehicles when required by the 1932 Ordinance in the performance of services and shall maintain a sufficient number of vehicles to perform the work required herein. All vehicles used in the performance of this Agreement shall have the name of the Collection Company and the License prominently displayed. All vehicles and equipment used in the performance of this Agreement shall meet applicable state and local standards and shall be operated and maintained in a safe and sanitary condition.

23. The Companies shall make a reasonable effort to use environmentally-preferable fuels, such as biodiesel, in a manner consistent with the Rate Order.

Delivery and Processing

24. Disposal of Trash by Contractor is governed by the WDA.

25. The Companies shall make a reasonable effort to deliver Compostables and Recyclables to permitted recycling or composting facilities.

26. Left blank by agreement of the Parties.

27. The Companies shall make a reasonable effort to maximize the use of alternative power, such as solar and wind power in a manner consistent with the Rate Order.

Recycling & Diversion Requirements

28. The Contractors shall work with the City to identify opportunities to reduce the level of refuse service and eliminate secondary charges (i.e., distance and elevation charges). These opportunities may include, but are not limited to, increasing Recycling and Composting, reducing Refuse container sizes or the frequency of Refuse collection when excess capacity is noted.

29. The Contractors shall work with the City Departments to maximize Diversion by offering the full range of Recycling and Composting services and notifying the Department Designee or the Department of the Environment where there are opportunities to increase Recycling and Composting.

30. The Contractors shall use their reasonable efforts to Recycle or Compost the maximum amount of material collected pursuant to this Agreement that is Recyclable or Compostable. Refuse collected by the Companies that contains Compostables or Recyclables may be processed by the Contractors to separate these materials from Trash. The Contractors shall work with the City to meet the goal of diverting at least seventy-five percent (75 %) of the amount of refuse generated at City Departments by calendar year 2010.

Duty to Maintain Records; Right to Examine Records

31. On a monthly basis, the Companies shall provide electronically a report similar in format to Appendix A2 and structured in accordance with the Rate Order for services provided at every collection location to the Purchaser, Administrator and Director of the Department of the Environment and to each Department Designee for his or her department(s). The City reserves the right to inspect the Companies' records to verify the information provided in the reports. The monthly report shall include the following information:

(a) Itemized services and charges by location. Itemizing shall include the frequency of collection (days of collection for Trash, Recyclables and Compostables by type), quantity (number and size of containers for each material type) and any other charges (e.g., key charges, heavy charges, distance charges, compactor equipment-related charges) for the collection of Refuse.

i. The individual service volume of Trash, Recyclables and Compostables and the resulting diversion rate by volume shall be stated for each location.

ii. For Roll-Off containers (compactors and debris boxes), the Companies shall itemize the number of times each roll-off container was collected in the reporting period.

(b) Notification of any permanent or temporary change in service, made pursuant to this Appendix A including the reduction or increase in service levels and special on call collections as requested by the Department Designee or the Department of the Environment.

(c) Notification of any significant ongoing contamination of Recycling and Composting containers by location.

(d) Notification of opportunities to reduce the level of Trash service and/or increase the amount of Recycling and Composting.

The timely and complete submission of all reports is a necessary and material term and obligation of this Agreement. In addition to the above, the Companies shall maintain weight information for compactors and Roll-Off containers and shall provide such information on an as-needed basis.

32. The Companies shall maintain a proper set of books and records in accordance with the Generally Accepted Accounting Principles, except that any unaudited financial statements need not contain the notes required by Generally Accepted Accounting Principles, accurately reflecting the business done by it under this Agreement.

Dept. Name	Dept No.	First	Last	Title	Specific Title	Phone
Administrative Services	70	Ara	Minasian	Finance Director		(415) 554-6215
Adult Probation	70	Daniel	Lee	Finance Director		(415) 553-1906
Animal Care & Control	70	Ara	Minasian	Finance Director		(415) 554-6215
Arts Commission	28	Nancy	Gonchar	Finance Director	CFO	(415) 252-2584
Department of Agriculture	70	Ara	Minasian	Finance Director		(415) 554-6215
District Attorney	04	Eugene	Clendinen	Finance Director	CFO	(415) 553-1895
Elections	80	Suzanne	Berg	Finance Director		(415) 554-7768
Elections	80	Anthony	Sarabia	Budget Manager		(415) 554-6180
Fire	31	Julie	Dawson	Finance Director	CFO	(415) 558-3445
Fire	31	Jane	Mason	Budget Manager		(415) 558-3439
Human Resources	33	Jamie	Austin	Finance Director		(415) 557-4944
Human Services		Phil	Arnold			(415) 557-5641
Juvenile Probation	12	Mark	Lui	Budget Manager		(415) 753-7560
Laguna Honda	19	Pamela	Levin	Budget Manager		(415) 554-2605
Palace of Fine Arts	42	Mary	King-Gorrwky	Budget Manager		415-831-2754
Police	38	Captain Jim	Lynch	Finance Director		(415) 553-1425
Police	38	Rowena	Wilson	Budget Manager		(415) 553-1220
Police	38	Wendy	Chan			
Public Defender	05	Angela	Auyong	Budget Staff		(415) 553-1677
Public Health	19	Pamela	Levin	Budget Manager		(415) 554-2605
Public Health	19	Gregg	Sass	Finance Director		(415) 554-2610
Public Library	41	Jay	Manglicmont	Finance Director		(415) 557-4248
Public Works	90	Douglas	Legg	Budget Manager	CFO	(415) 554-4806
Recreation and Parks	42	Mary	King-Gorwky	Budget Manager		415-831-2754
Recreation and Parks	42	Katie	Petrucione	Finance Director		(415) 831-2703
Sheriff	06	Jean	Mariani			(415) 554-4462
SF General Hospital	19	Pamela	Levin	Budget Manager		(415) 554-2605

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Jamie.Austin@sfgov.org
Phil.Arnold@sfgov.org
Mark.Lui@sfgov.org
Pamela.Levin@sfdph.org
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